

## PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 7, 2021

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the Issuer, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"): (1) the interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax; (2) the interest on the Bonds is exempt from income taxation by the State of Kansas; and (3) the Bonds are "qualified tax-exempt obligations" within the meaning of Code § 265(b)(3). See "TAX MATTERS – Opinion of Bond Counsel" in this Official Statement.

New Issue

Rating Application Made: S&P Global Ratings

### CITY OF MISSION, KANSAS (Johnson County)

### \$3,400,000\* GENERAL OBLIGATION BONDS, SERIES 2021A (GREEN BONDS)

**PROPOSAL OPENING:** October 20, 2021, 10:00 A.M., C.T.

**CONSIDERATION:** October 20, 2021, 7:00 P.M., C.T.

**PURPOSE/AUTHORITY/SECURITY:** The \$3,400,000\* General Obligation Bonds, Series 2021A (Green Bonds) (the "Bonds") of the City of Mission, Kansas (the "City") are being issued pursuant to K.S.A. 10-101 to 10-125, inclusive, K.S.A. 10-620 *et seq.*, and K.S.A. 12-1736 *et seq.*, Charter Ordinance No. 32 of the Issuer, and Article 12, Section 5 of the Constitution of the State, all as amended, and an ordinance and resolution adopted by the governing body of the City, for the public purpose of funding energy efficient improvements to City facilities, streetlights and traffic signals. The Bonds and the interest thereon will constitute general obligations of the City, payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the City. Delivery is subject to receipt of an approving legal opinion of Gilmore & Bell, P.C., Kansas City, Missouri.

The Bonds will be issued as fully registered bonds, without coupons, and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denominations of \$5,000 or any integral multiple thereof (the "Authorized Denomination"). Purchasers will not receive certificates representing their interests in Bonds purchased. So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the Bond owners or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as herein defined) of the Bonds.

**DATE OF BONDS:** November 10, 2021

**MATURITY:** September 1 as follows:

| <u>Year</u> | <u>Amount*</u> | <u>Year</u> | <u>Amount*</u> | <u>Year</u> | <u>Amount*</u> |
|-------------|----------------|-------------|----------------|-------------|----------------|
| 2022        | \$220,000      | 2027        | \$220,000      | 2032        | \$230,000      |
| 2023        | 215,000        | 2028        | 220,000        | 2033        | 235,000        |
| 2024        | 215,000        | 2029        | 225,000        | 2034        | 240,000        |
| 2025        | 215,000        | 2030        | 225,000        | 2035        | 245,000        |
| 2026        | 215,000        | 2031        | 230,000        | 2036        | 250,000        |

**MATURITY ADJUSTMENTS:** \* The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

**TERM BONDS:** See "THE BONDS-Redemption Provisions" herein.

**INTEREST:** March 1, 2022 and semiannually thereafter (the "Interest Payment Date(s)").

**OPTIONAL REDEMPTION:** Bonds maturing on September 1, 2030 and thereafter are subject to call for prior optional redemption on September 1, 2029 and any date thereafter, at a price of par plus accrued interest.

**MINIMUM PROPOSAL:** \$3,359,200.

**GOOD FAITH DEPOSIT:** A good faith deposit in the amount of \$68,000 shall be made by the winning bidder by wire transfer of funds.

**PAYING AGENT:** State of Kansas - Office of the State Treasurer

**BOND COUNSEL:** Gilmore & Bell, PC

**MUNICIPAL ADVISOR:** Ehlers and Associates, Inc.

**BOOK-ENTRY-ONLY:** See "Book-Entry-Only System" herein (unless otherwise specified by the purchaser).

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This Preliminary Official Statement is in a form deemed final as of its date for purposes of SEC Rule 15c2-12(b) (1), but is subject to revision, amendment and completion in a Final Official Statement.

## REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representation other than those contained in this Preliminary Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. ***This Preliminary Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.***

This Preliminary Official Statement is not to be construed as a contract with the Syndicate Manager or Syndicate Members. Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers and Associates, Inc. prepared this Preliminary Official Statement and any addenda thereto relying on information of the City and other sources for which there is reasonable basis for believing the information is accurate and complete. Bond Counsel has not participated in the preparation of this Preliminary Official Statement and is not expressing any opinion as to the completeness or accuracy of the information contained therein. Compensation of Ehlers and Associates, Inc., payable entirely by the City, is contingent upon the delivery of the Bonds.

## COMPLIANCE WITH S.E.C. RULE 15c2-12

Certain municipal obligations (issued in an aggregate amount over \$1,000,000) are subject to Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Rule").

**Preliminary Official Statement:** This Preliminary Official Statement was prepared for the City for dissemination to potential investors. Its primary purpose is to disclose information regarding the Bonds to prospective underwriters in the interest of receiving competitive proposals in accordance with the sale notice contained herein. Unless an addendum is posted prior to the sale, this Preliminary Official Statement shall be deemed nearly final for purposes of the Rule subject to completion, revision and amendment in a Final Official Statement as defined below.

**Review Period:** This Preliminary Official Statement has been distributed to prospective bidders for review. Comments or requests for the correction of omissions or inaccuracies must be submitted to Ehlers and Associates, Inc. at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will not be considered a qualification of a proposal received from an underwriter. If there are any changes, corrections or additions to the Preliminary Official Statement, interested bidders will be informed by an addendum prior to the sale.

**Final Official Statement:** Copies of the Final Official Statement will be delivered to the underwriter (Syndicate Manager) within seven business days following the proposal acceptance.

**Continuing Disclosure:** Subject to certain exemptions, issues in an aggregate amount over \$1,000,000 may be required to comply with provisions of the Rule which require that underwriters obtain from the issuers of municipal securities (or other obligated party) an agreement for the benefit of the owners of the securities to provide continuing disclosure with respect to those securities. This Preliminary Official Statement describes the conditions under which the City is required to comply with the Rule.

## CLOSING CERTIFICATES

Upon delivery of the Bonds, the underwriter (Syndicate Manager) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of the Bonds and all times subsequent thereto up to and including the time of the delivery of the Bonds, this Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Bonds; (3) a certificate evidencing the due execution of the Bonds, including statements that there is no controversy, suit or other proceedings of any kind pending or threatened wherein or whereby any question is raised or may be raised, questioning, disputing or affecting in any way: (a) the legal organization of the City or its boundaries; (b) the right or title of any of its officers to their respective offices; (c) the legality of any official act shown to have been done in the transcript relating to the Bonds; (d) the constitutionality or validity of the indebtedness represented by the Bonds shown to be authorized in the transcript relating to the Bonds; (e) the validity of the Bonds, or any of the proceedings had in relation to the authorization, issuance or sale thereof; or (f) the levy and collection of a tax to pay the principal of and interest on the Bonds; and (4) a certificate setting forth facts and expectations of the City which indicates that the City does not expect to use the proceeds of the Bonds in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

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## **CITY OF MISSION CITY COUNCIL**

|                     |                | <u>Term Expires</u> |
|---------------------|----------------|---------------------|
| Ronald Appletoft    | Mayor          | December 2021       |
| Trent Boultinghouse | Council Member | December 2023       |
| Ken Davis           | Council Member | December 2021       |
| Sollie Flora        | Council Member | December 2021       |
| Kristin Inman       | Council Member | December 2023       |
| Debbie Kring        | Council Member | December 2021       |
| Arcie Rothrock      | Council Member | December 2021       |
| Nick Schlossmacher  | Council Member | December 2023       |
| Hillary Thomas      | Council Member | December 2021       |

## **ADMINISTRATION**

Laura Smith, City Administrator

Audrey McClanahan, City Clerk

## **PROFESSIONAL SERVICES**

Gilmore & Bell, PC, Bond Counsel, Kansas City, Missouri

Ehlers and Associates, Inc., Municipal Advisors, Roseville, Minnesota  
(Other offices located in Waukesha, Wisconsin and Denver, Colorado)

## INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the City of Mission, Kansas (the "City" or the "Issuer") and the issuance of its \$3,400,000\* General Obligation Bonds, Series 2021A (Green Bonds) (the "Bonds"). Any descriptions or summaries of the Bonds, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Bonds to be included in the resolution authorizing the issuance and sale of the Bonds ("Bond Resolution") to be adopted by the City Council on October 20, 2021. Capitalized items not otherwise defined herein shall have the meanings ascribed thereto in the Bond Resolution, a copy of which is available upon request with the City.

Inquiries may be directed to Ehlers and Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Roseville, Minnesota, (651) 697-8500, the City's municipal advisor. A copy of this Preliminary Official Statement may be downloaded from Ehlers' web site at [www.ehlers-inc.com](http://www.ehlers-inc.com) by connecting to the Bond Sales link and following the directions at the top of the site.

## THE BONDS

### Description of the Bonds

The Bonds shall consist of fully registered book-entry-only bonds in an Authorized Denomination and shall be numbered in such manner as the Bond Registrar shall determine. All of the Bonds shall be dated as of the Dated Date, become due in the amounts on the Stated Maturities, subject to redemption and payment prior to their Stated Maturities, and shall bear interest at the rates per annum set forth on the cover page of this Official Statement (computed on the basis of twelve 30-day months) from the later of the Dated Date or the most recent Interest Payment Date to which interest has been paid, on the Interest Payment Dates in the manner hereinafter set forth.

### Designation of Paying Agent and Bond Registrar

The City will at all times maintain a paying agent and bond registrar meeting the qualifications set forth in the Bond Resolution. The City reserves the right to appoint a successor paying agent or bond registrar. No resignation or removal of the paying agent or bond registrar shall become effective until a successor has been appointed and has accepted the duties of paying agent or bond registrar. Every paying agent or bond registrar appointed by the City shall at all times meet the requirements of Kansas law.

The Treasurer of the State of Kansas, Topeka, Kansas (the "Bond Registrar" and "Paying Agent") has been designated by the Issuer as paying agent for the payment of principal of and interest on the Bonds and bond registrar with respect to the registration, transfer and exchange of Bonds.

### Designation of Green Bonds

The City is issuing the Bonds as "Green Bonds" based upon the environmental benefits of the capital projects to be financed with proceeds of the Bonds. The City has designated the capital projects to be financed as "Green Projects" because they will consist of energy efficiency improvements to facilities, streetlights and traffic signals. The purpose of the designation of the Bonds is to allow investors to invest directly in projects that are beneficial to the environment. See "**AUTHORITY; PURPOSE** - *Green Bonds Designation*" in this Preliminary Official Statement.

## **Method and Place of Payment of the Bonds**

The principal of, or Redemption Price, and interest on the Bonds shall be payable in any coin or currency which, on the respective dates of payment thereof, is legal tender for the payment of public and private debts. The principal or Redemption Price of each Bond shall be paid at Maturity to the Person in whose name such Bond is registered on the Bond Register at the Maturity thereof, upon presentation and surrender of such Bond at the principal office of the Paying Agent.

The interest payable on each Bond on any Interest Payment Date shall be paid to the Owner of such Bond as shown on the Bond Register at the close of business on the Record Date for such interest (a) by check or draft mailed by the Paying Agent to the address of such Owner shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Owner; or (b) in the case of an interest payment to Cede & Co. or any Owner of \$500,000 or more in aggregate principal amount of Bonds, by electronic transfer to such Owner upon written notice given to the Bond Registrar by such Owner, not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank, ABA routing number and account number to which such Owner wishes to have such transfer directed.

Notwithstanding the foregoing, any Defaulted Interest with respect to any Bond shall cease to be payable to the Owner of such Bond on the relevant Record Date and shall be payable to the Owner in whose name such Bond is registered at the close of business on the Special Record Date for the payment of such Defaulted Interest, which Special Record Date shall be fixed as hereinafter specified. The Issuer shall notify the Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date shall be at least 30 days after receipt of such notice by the Paying Agent) and shall deposit with the Paying Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest. Following receipt of such funds the Paying Agent shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment. The Paying Agent shall notify the Issuer of such Special Record Date and shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, by first class mail, postage prepaid, to each Owner of a Bond entitled to such notice not less than 10 days prior to such Special Record Date.

SO LONG AS CEDE & CO. REMAINS THE REGISTERED OWNER OF THE BONDS, THE PAYING AGENT SHALL TRANSMIT PAYMENTS TO THE SECURITIES DEPOSITORY, WHICH SHALL REMIT SUCH PAYMENTS IN ACCORDANCE WITH ITS NORMAL PROCEDURES. See “THE BONDS – Book-Entry Bonds; Securities Depository.”

## **Payments Due on Saturdays, Sundays and Holidays**

In any case where a Bond Payment Date is not a Business Day, then payment of principal, Redemption Price or interest need not be made on such Bond Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Bond Payment Date, and no interest shall accrue for the period after such Bond Payment Date.

## **Book-Entry Bonds; Securities Depository**

The Bonds shall initially be registered to Cede & Co., the nominee for the Securities Depository, and no Beneficial Owner will receive certificates representing their respective interests in the Bonds, except in the event the Bond Registrar issues Replacement Bonds. It is anticipated that during the term of the Bonds, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal of, premium, if any, and interest on, the Bonds to the Participants until and unless the Bond Registrar authenticates and delivers Replacement Bonds to the Beneficial Owners as described in the following paragraphs.

The Issuer may decide, subject to the requirements of the Operational Arrangements of DTC (or a successor Securities Depository), and the following provisions of this section to discontinue use of the system of book-entry transfers through DTC (or a successor Securities Depository):

(a) if the Issuer determines (1) that the Securities Depository is unable to properly discharge its responsibilities, or (2) that the Securities Depository is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, or (3) that the continuation of a book-entry system to the exclusion of any Bonds being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Bonds; or

(b) if the Bond Registrar receives written notice from Participants having interest in not less than 50% of the Bonds Outstanding, as shown on the records of the Securities Depository (and certified to such effect by the Securities Depository), that the continuation of a book-entry system to the exclusion of any Bonds being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Bonds, then the Bond Registrar shall notify the Owners of such determination or such notice and of the availability of certificates to owners requesting the same, and the Bond Registrar shall register in the name of and authenticate and deliver Replacement Bonds to the Beneficial Owners or their nominees in principal amounts representing the interest of each, making such adjustments as it may find necessary or appropriate as to accrued interest and previous calls for redemption; provided, that in the case of a determination under (a)(1) or (a)(2) of this paragraph, the Issuer, with the consent of the Bond Registrar, may select a successor securities depository in accordance with the following paragraph to effect book-entry transfers.

In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository has possession of at least one Bond. Upon the issuance of Replacement Bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Bond Registrar, to the extent applicable with respect to such Replacement Bonds. If the Securities Depository resigns and the Issuer, the Bond Registrar or Owners are unable to locate a qualified successor of the Securities Depository, then the Bond Registrar shall authenticate and cause delivery of Replacement Bonds to Owners, as provided herein. The Bond Registrar may rely on information from the Securities Depository and its Participants as to the names of the Beneficial Owners of the Bonds. The cost of printing, registration, authentication, and delivery of Replacement Bonds shall be paid for by the Issuer.

In the event the Securities Depository resigns, is unable to properly discharge its responsibilities, or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, the Issuer may appoint a successor Securities Depository provided the Bond Registrar receives written evidence satisfactory to the Bond Registrar with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a securities depository which is a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Bond Registrar upon its receipt of a Bond or Bonds for cancellation shall cause the delivery of the Bonds to the successor Securities Depository in appropriate denominations and form as provided in the Bond Resolution.

### **Registration, Transfer and Exchange of Bonds**

As long as any of the Bonds remain Outstanding, each Bond when issued shall be registered in the name of the Owner thereof on the Bond Register. Bonds may be transferred and exchanged only on the Bond Register as hereinafter provided. Upon surrender of any Bond at the principal office of the Bond Registrar, the Bond Registrar shall transfer or exchange such Bond for a new Bond or Bonds in any authorized denomination of the same Stated Maturity and in the same aggregate principal amount as the Bond that was presented for transfer or exchange. Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Bond Registrar, duly executed by the Owner thereof or by the Owner's duly authorized agent.

In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions of the Bond Resolution. The Issuer shall pay the fees and expenses of the Bond Registrar for the registration, transfer and exchange of Bonds. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Bond Registrar, are the responsibility of the Owners of the Bonds. In the event any Owner fails to provide a correct taxpayer identification number to the Paying Agent, the Paying Agent may make a charge against such Owner sufficient to pay any governmental charge required to be paid as a result of such failure.

The Issuer and the Bond Registrar shall not be required (a) to register the transfer or exchange of any Bond that has been called for redemption after notice of such redemption has been mailed by the Paying Agent and during the period of 15 days next preceding the date of mailing of such notice of redemption; or (b) to register the transfer or exchange of any Bond during a period beginning at the opening of business on the day after receiving written notice from the Issuer of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest.

### **Mutilated, Lost, Stolen or Destroyed Bonds**

If (a) any mutilated Bond is surrendered to the Bond Registrar or the Bond Registrar receives evidence to its satisfaction of the destruction, loss or theft of any Bond, and (b) there is delivered to the Issuer and the Bond Registrar such security or indemnity as may be required by each of them, then, in the absence of notice to the Issuer or the Bond Registrar that such Bond has been acquired by a bona fide purchaser, the Issuer shall execute and, upon the Issuer's request, the Bond Registrar shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of the same Stated Maturity and of like tenor and principal amount. If any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the Issuer, in its discretion, may pay such Bond instead of issuing a new Bond. Upon the issuance of any new Bond, the Issuer may require the payment by the Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Paying Agent) connected therewith.

### **Nonpresentment of Bonds**

If any Bond is not presented for payment when the principal thereof becomes due at Maturity, if funds sufficient to pay such Bond have been made available to the Paying Agent all liability of the Issuer to the Owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the Owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Bond Resolution or on, or with respect to, said Bond. If any Bond is not presented for payment within four (4) years following the date when such Bond becomes due at Maturity, the Paying Agent shall repay to the Issuer the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Issuer, and the Owner thereof shall be entitled to look only to the Issuer for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and the Issuer shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

### **Redemption Provisions**

Optional Redemption. At the option of the Issuer, Bonds maturing on September 1 in the years 2030, and thereafter, will be subject to redemption and payment prior to their Stated Maturity on September 1, 2029, and thereafter, as a whole or in part (selection of maturities and the amount of Bonds of each maturity to be redeemed to be determined by the Issuer in such equitable manner as it may determine) at any time, at the Redemption Price of 100% (expressed as a percentage of the principal amount), plus accrued interest to the Redemption Date.



\*\*\*[Mandatory Redemption. (a) 20\_\_ Term Bonds. The 20\_\_ Term Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements hereinafter set forth at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The payments which are to be deposited into the Debt Service Account shall be sufficient to redeem, and the Issuer shall redeem on September 1 in each year, the following principal amounts of such 20\_\_ Term Bonds:

| Principal<br>Amount | Year  |
|---------------------|-------|
| \$ _____            | 20__  |
| _____               | 20__  |
| _____               | *20__ |

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\*Final Maturity

(b) 20\_\_ Term Bonds. The 20\_\_ Term Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements hereinafter set forth at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The payments which are to be deposited into the Debt Service Account shall be sufficient to redeem, and the Issuer shall redeem on September 1 in each year, the following principal amounts of such 20\_\_ Term Bonds:

| Principal<br>Amount | Year  |
|---------------------|-------|
| \$ _____            | 20__  |
| _____               | 20__  |
| _____               | *20__ |

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\*Final Maturity]\*\*\*

Selection of Bonds to be Redeemed. Bonds shall be redeemed only in an Authorized Denomination. When less than all of the Bonds are to be redeemed and paid prior to their Stated Maturity, such Bonds shall be redeemed in such manner as the Issuer shall determine, Bonds of less than a full Stated Maturity shall be selected by the Bond Registrar in minimum Authorized Denomination in such equitable manner as the Bond Registrar may determine. In the case of a partial redemption of Bonds by lot when Bonds of denominations greater than a minimum Authorized Denomination are then Outstanding, then for all purposes in connection with such redemption each minimum Authorized Denomination of face value shall be treated as though it were a separate Bond of a minimum Authorized Denomination. If it is determined that one or more, but not all, of the minimum Authorized Denomination value represented by any Bond is selected for redemption, then upon notice of intention to redeem such minimum Authorized Denomination, the Owner or the Owner's duly authorized agent shall forthwith present and surrender such Bond to the Bond Registrar: (1) for payment of the Redemption Price and interest to the Redemption Date of such minimum Authorized Denomination value called for redemption, and (2) for exchange, without charge to the Owner thereof, for a new Bond or Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Bond. If the Owner of any such Bond fails to present such Bond to the Paying Agent for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the redemption date to the extent of the minimum Authorized Denomination value called for redemption (and to that extent only).

Notice and Effect of Call for Redemption. Unless waived by any Owner of Bonds to be redeemed, if the Issuer shall call any Bonds for redemption and payment prior to the Stated Maturity thereof, the Issuer shall give written notice of its intention to call and pay said Bonds to the Bond Registrar and the State Treasurer. In addition, the Issuer shall cause the Bond Registrar to give written notice of redemption to the Owners of said Bonds. Each of said written notices shall be deposited in the United States first class mail not less than 30 days prior to the Redemption Date. All official notices of redemption shall be dated and shall contain the following information: (a) the Redemption Date; (b) the Redemption Price; (c) if less than all Outstanding Bonds are to be redeemed, the identification (and, in

the case of partial redemption of any Bonds, the respective principal amounts) of the Bonds to be redeemed; (d) a statement that on the Redemption Date the Redemption Price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after the Redemption Date; and (e) the place where such Bonds are to be surrendered for payment of the Redemption Price, which shall be the principal office of the Paying Agent. The failure of any Owner to receive notice given as heretofore provided or an immaterial defect therein shall not invalidate any redemption.

Prior to any Redemption Date, the Issuer shall deposit with the Paying Agent an amount of money sufficient to pay the Redemption Price of all the Bonds or portions of Bonds that are to be redeemed on such Redemption Date. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall become due and payable on the Redemption Date, at the Redemption Price therein specified, and from and after the Redemption Date (unless the Issuer defaults in the payment of the Redemption Price) such Bonds or portion of Bonds shall cease to bear interest.

For so long as the Securities Depository is effecting book-entry transfers of the Bonds, the Bond Registrar shall provide the notices specified to the Securities Depository. It is expected that the Securities Depository shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the Beneficial Owners. Any failure on the part of the Securities Depository or a Participant, or failure on the part of a nominee of a Beneficial Owner of a Bond (having been mailed notice from the Bond Registrar, the Securities Depository, a Participant or otherwise) to notify the Beneficial Owner of the Bond so affected, shall not affect the validity of the redemption of such Bond.

In addition to the foregoing notice, the Issuer shall provide such notices of redemption as are required by the Disclosure Undertaking (defined herein). The Paying Agent is also directed to comply with any mandatory or voluntary standards then in effect for processing redemptions of municipal securities established by the State or the Securities and Exchange Commission. Failure to comply with such standards shall not affect or invalidate the redemption of any Bond.

## **AUTHORITY; PURPOSE**

The Bonds of the City are being issued pursuant to K.S.A. 10-101 to 10-125, inclusive, K.S.A. 10-620 *et seq.*, and K.S.A. 12-1736 *et seq.*, Charter Ordinance No. 32 of the Issuer, and Article 12, Section 5 of the Constitution of the State, all as amended, and an ordinance and resolution adopted by the governing body of the City, for the public purpose of funding energy efficient improvements to City facilities, streetlights and traffic signals.

*Green Bonds Designation.* The City is issuing the Bonds as “Green Bonds” based upon the environmental benefits of the capital projects to be financed with proceeds of the Bonds. The City has designated the capital projects to be financed with the Bonds as “Green Projects” because they will consist of energy efficiency improvements to City facilities, streetlights and traffic signals, to be completed through a guaranteed energy performance contract as part of the Kansas Corporate Commission’s Facility Conservation Improvement Program (FCIP). The purpose of the “Green Bond” designation is to allow holders of the Bonds to invest directly in projects that are beneficial to the environment and is not intended to provide or imply that a holder of the Bonds is entitled to any additional security. While the City will take steps to ensure compliance with the principles of Green Bonds in effect as of the issuance of the Bonds, the City does not make any representation that the Bonds will comply with any future changes to the principles of Green Bonds enacted by the International Capital Market Association after the date of issuance of the Bonds.

**ESTIMATED SOURCES AND USES\***

|                                       |                    |                    |
|---------------------------------------|--------------------|--------------------|
| <b>Sources</b>                        |                    |                    |
| Par Amount of Bonds                   | <u>\$3,400,000</u> |                    |
| <b>Total Sources</b>                  |                    | <b>\$3,400,000</b> |
| <b>Uses</b>                           |                    |                    |
| Total Underwriter's Discount (1.200%) | \$40,800           |                    |
| Costs of Issuance                     | 65,000             |                    |
| Deposit to Project Construction Fund  | 3,292,490          |                    |
| Rounding Amount                       | <u>1,710</u>       |                    |
| <b>Total Uses</b>                     |                    | <b>\$3,400,000</b> |

\*Preliminary, subject to change.

**SECURITY**

The Bonds will be general obligations of the City payable as to both principal and interest from ad valorem taxes to be levied without limitation as to rate or amount on all of the taxable, tangible property, real and personal, within the territorial limits of the City. The full faith, credit and resources of the City are irrevocably pledged for the prompt payment of the principal and interest on the Bonds as the same become due.

**Levy and Collection of Annual Tax, Transfer to Debt Service Account**

The governing body of the Issuer shall annually make provision for the payment of principal of, premium, if any, and interest on the Bonds as the same become due by, to the extent necessary, levying and collecting the necessary taxes upon all of the taxable tangible property within the Issuer in the manner provided by law. Such taxes shall be extended upon the tax rolls in each of the several years, respectively, and shall be levied and collected at the same time and in the same manner as the other ad valorem taxes of the Issuer are levied and collected. The proceeds derived from said taxes shall be deposited in the Bond and Interest Fund, shall be kept separate and apart from all other funds of the Issuer, shall thereafter be transferred to the Debt Service Account and shall be used solely for the payment of the principal of and interest on the Bonds as and when the same become due, taking into account any scheduled mandatory redemptions, and the fees and expenses of the Paying Agent.

**RATING**

General obligation debt of the City, with the exception of any outstanding credit enhanced issues, is currently rated "AA+" by S&P Global Ratings.

The City has requested a rating on the Bonds from S&P Global Ratings, and bidders will be notified as to the assigned rating prior to the sale. Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from S&P Global Ratings. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Bonds, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Disclosure Undertaking described under the heading "CONTINUING DISCLOSURE" neither the City nor the underwriter

undertake responsibility to bring to the attention of the owner of the Bonds any proposed changes in or withdrawal of such rating or to oppose any such revision or withdrawal.

## **CONTINUING DISCLOSURE**

In order to assist brokers, dealers, and municipal securities dealers, in connection with their participation in the offering of the Bonds, to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), the City shall agree to provide certain information to the Municipal Securities Rulemaking Board (MSRB) through its Electronic Municipal Market Access (EMMA) system, or any system that may be prescribed in the future. The Rule was last amended, effective February 27, 2019, to include an expanded list of material events.

On the date of issue and delivery, the City shall execute and deliver a Continuing Disclosure Certificate, under which the City will covenant for the benefit of holders including beneficial holders, to provide electronically, or in a manner otherwise prescribed, certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule (the "Disclosure Undertaking"). The details and terms of the Disclosure Undertaking for the City are set forth in Appendix D. Such Disclosure Undertaking will be in substantially the form attached hereto.

A failure by the City to comply with any Disclosure Undertaking will not constitute an event of default on the Bonds. However, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

In the previous five years, the City believes it has not failed to comply in all material respects with its prior undertakings under the Rule. The City has reviewed its continuing disclosure responsibilities along with any changes to the Rule, to ensure compliance. Ehlers is currently engaged as dissemination agent for the City.

## **LEGAL OPINION**

All matters incident to the authorization and issuance of the Bonds are subject to the approval of Gilmore & Bell, P.C., Kansas City, Missouri ("Bond Counsel"), bond counsel to the Issuer. The factual and financial information appearing herein has been supplied or reviewed by certain officials of the Issuer and its certified public accountants, as referred to herein. Bond Counsel has participated in the preparation of the matters appearing in the sections of this Official Statement captioned "THE BONDS," (specifically excluding "Designation of Green Bonds") "TAX MATTERS" and "APPENDIX B – FORM OF LEGAL OPINION." Payment of the legal fee of Bond Counsel is contingent upon the delivery of the Bonds.

## **TAX MATTERS**

The following is a summary of the material federal and State of Kansas income tax consequences of holding and disposing of the Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of holders subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Kansas, does not discuss the consequences to an owner under state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Bonds.

## Opinion of Bond Counsel

In the opinion of Bond Counsel, under the law existing as of the issue date of the Bonds:

**Federal Tax Exemption.** The interest on the Bonds [(including any original issue discount properly allocable to an owner thereof)] is excludable from gross income for federal income tax purposes.

**Alternative Minimum Tax.** Interest on the Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax.

**Bank Qualification.** The Bonds are “qualified tax-exempt obligations” within the meaning of Code § 265(b)(3).

**Kansas Tax Exemption.** The interest on the Bonds is exempt from income taxation by the State of Kansas.

Bond Counsel’s opinions are provided as of the date of the original issue of the Bonds, subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Bonds.

## Other Tax Consequences

[ **Original Issue Discount.** For federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a Bond over its issue price. The stated redemption price at maturity of a Bond is the sum of all payments on the Bond other than “qualified stated interest” (i.e., interest unconditionally payable at least annually at a single fixed rate). The issue price of a Bond is generally the first price at which a substantial amount of the Bonds of that maturity have been sold to the public. Under Code § 1288, original issue discount on tax-exempt obligations accrues on a compound basis. The amount of original issue discount that accrues to an owner of a Bond during any accrual period generally equals (1) the issue price of that Bond, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that Bond during that accrual period. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner’s tax basis in that Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of original issue discount.]

[ **Original Issue Premium.** For federal income tax purposes, premium is the excess of the issue price of a Bond over its stated redemption price at maturity. The stated redemption price at maturity of a Bond is the sum of all payments on the Bond other than “qualified stated interest” (i.e., interest unconditionally payable at least annually at a single fixed rate). The issue price of a Bond is generally the first price at which a substantial amount of the Bonds of that maturity have been sold to the public. Under Code § 171, premium on tax-exempt obligations amortizes over the term of the Bond using constant yield principles, based on the purchaser’s yield to maturity. As premium is amortized, the owner’s basis in the Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner, which will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Bond prior to its maturity. Even though the owner’s basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of premium.]

**Sale, Exchange or Retirement of Bonds.** Upon the sale, exchange or retirement (including redemption) of a Bond, an owner of the Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the Bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the Bond. To the extent the Bonds are held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Bond has been held for more than 12 months at the time of sale, exchange or retirement.

**Reporting Requirements.** In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on Bonds, and to the proceeds paid on the sale of Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

**Collateral Federal Income Tax Consequences.** Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Bonds, including the possible application of state, local, foreign and other tax laws.

## **MUNICIPAL ADVISOR**

Ehlers has served as municipal advisor to the City in connection with the issuance of the Bonds. The Municipal Advisor cannot participate in the underwriting of the Bonds. The financial information included in this Preliminary Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a municipal advisor. Ehlers makes no representation, warranty or guarantee regarding the accuracy or completeness of the information in this Preliminary Official Statement, and its assistance in preparing this Preliminary Official Statement should not be construed as a representation that it has independently verified such information.

## **MUNICIPAL ADVISOR AFFILIATED COMPANIES**

Bond Trust Services Corporation ("BTSC") and Ehlers Investment Partners, LLC ("EIP") are affiliate companies of Ehlers. BTSC is chartered by the State of Minnesota and authorized in Minnesota, Wisconsin, Colorado, and Illinois to transact the business of a limited purpose trust company. BTSC provides paying agent services to debt issuers. EIP is a Registered Investment Advisor with the Securities and Exchange Commission. EIP assists issuers with the investment of bond proceeds or investing other issuer funds. This includes escrow bidding agent services. Issuers, such as the City, have retained or may retain BTSC and/or EIP to provide these services. If hired, BTSC and/or EIP would be retained by the City under an agreement separate from Ehlers.

## INDEPENDENT AUDITORS

The basic financial statements of the City for the fiscal year ended December 31, 2020, have been audited by BT & Co., P.A., Topeka, Kansas, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Preliminary Official Statement.

## RISK FACTORS

Following is a description of possible risks to holders of the Bonds without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here.

**Taxes:** The Bonds are general obligations of the City, the ultimate payment of which rests in the City's ability to levy and collect sufficient taxes to pay debt service. In the event of delayed billing, collection or distribution of property taxes, sufficient funds may not be available to the City in time to pay debt service when due.

**State Actions:** Many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the state may affect the overall financial condition of the City, the taxable value of property within the City, and the ability of the City to levy and collect property taxes.

Additionally, the Kansas Legislature may from time to time adopt changes in the property tax system or method of imposing and collecting property taxes within the State. Taxpayers may also challenge the fair market value of property assigned by the county appraiser. The effects of such legislative changes and successful challenges to the appraiser's determination of fair market value could affect the Issuer's property tax collections. If a taxpayer valuation challenge is successful, the liability of the Issuer to refund property taxes previously paid under protest may have a material impact on the Issuer's financial situation.

**Future Changes in Law:** Various State and federal laws, regulations and constitutional provisions apply to the City and to the Bonds. The City can give no assurance that there will not be a change in or interpretation of any such applicable laws, regulations and provisions which would have a material effect on the City or the taxing authority of the City.

**Limitations on Remedies Available to Owners of Bonds:** The enforceability of the rights and remedies of the owners of Bonds, and the obligations incurred by the Issuer in issuing the Bonds, are subject to the following: the federal Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under state law of certain remedies; the exercise by the United States of America of the powers delegated to it by the United States Constitution; and the reasonable and necessary exercise, in certain unusual situations, of the police power inherent in the State of Kansas and its governmental subdivisions in the interest of serving a legitimate and significant public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or state government, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy and otherwise, and consequently may involve risks of delay, limitation or modification of their rights.

**Ratings; Interest Rates:** In the future, the City's credit rating may be reduced or withdrawn, or interest rates for this type of obligation may rise generally, either possibility resulting in a reduction in the value of the Bonds for resale prior to maturity.

**Tax Exemption:** If the federal government or the State of Kansas taxes all or a portion of the interest on municipal obligations, directly or indirectly, or if there is a change in federal or state tax policy, the value of the Bonds may fall for purposes of resale. Noncompliance following the issuance of the Bonds with certain requirements of the Code and covenants of the Award Resolution may result in the inclusion of interest on the Bonds in gross income of the recipient for United States income tax purposes or in taxable net income of individuals, estates or trusts for State of Kansas income tax purposes. No provision has been made for redemption of the Bonds, or for an increase in the interest rate on the Bonds, in the event that interest on the Bonds becomes subject to federal or State of Kansas income taxation, retroactive to the date of issuance.

**Continuing Disclosure:** A failure by the City to comply with the Disclosure Undertaking for continuing disclosure (see "CONTINUING DISCLOSURE") will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

**State Economy; State Aids:** State of Kansas cash flow problems could affect local governments and possibly increase property taxes.

**Book-Entry-Only System:** The timely credit of payments for principal and interest on the Bonds to the accounts of the Beneficial Owners of the Bonds may be delayed due to the customary practices, standing instructions or for other unknown reasons by DTC participants or indirect participants. Since the notice of redemption or other notices to holders of these obligations will be delivered by the City to DTC only, there may be a delay or failure by DTC, DTC participants or indirect participants to notify the Beneficial Owners of the Bonds.

**Economy:** A combination of economic, climatic, political or civil disruptions or terrorist actions outside of the control of the City, including loss of major taxpayers or major employers, could affect the local economy and result in reduced tax collections and/or increased demands upon local government. Real or perceived threats to the financial stability of the City may have an adverse effect on the value of the Bonds in the secondary market.

**Secondary Market for the Bonds:** No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The underwriters are not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof. Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

**Premium on Bonds:** The initial offering prices of certain maturities of the Bonds that are subject to optional redemption may be in excess of the respective principal amounts thereof. Any person who purchases a Bond in excess of its principal amount, whether during the initial offering or in a secondary market transaction, should consider that the Bonds are subject to redemption at par under the various circumstances described under "THE BONDS – Redemption Provisions."

**Kansas Public Employees Retirement System:** As described in "THE ISSUER – EMPLOYEES; PENSIONS; UNIONS," the Issuer participates in the Kansas Public Employees Retirement System ("KPERS"), as an instrumentality of the State to provide retirement and related benefits to public employees in Kansas. KPERS administers three statewide defined benefit retirement plans for public employees which are separate and distinct with different membership groups, actuarial assumptions, experience, contribution rates and benefit options. The Issuer participates in the Police and Firemen's Retirement System ("KP&F") and the Public Employees Retirement System – Local Group (the "Plan"). Under existing law, employees make contributions and the Issuer makes all employer contributions to the Plan; neither the employees nor the Issuer are directly responsible for any unfunded accrued actuarial liability ("UAAL"). According to KPERS' Valuation Report, the Local Group had an UAAL of approximately \$1.502 billion in calendar year 2019 and KP&F had an UAAL of approximately \$949 million.



**Suitability of Investment:** The tax exempt feature of the Bonds is more valuable to high tax bracket investors than to investors who are in low tax brackets, and so the value of the interest compensation to any particular investor will vary with individual tax rates. Each prospective investor should carefully examine this Official Statement, including the Appendices hereto, and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment.

**Bankruptcy:** The rights and remedies of the holders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws, or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The opinion of Bond Counsel to be delivered with respect to the Bonds will be similarly qualified.

**Cybersecurity:** The City is dependent on electronic information technology systems to deliver services. These systems may contain sensitive information or support critical operational functions which may have value for unauthorized purposes. As a result, the electronic systems and networks may be targets of cyberattack. There can be no assurance that the City will not experience an information technology breach or attack with financial consequences that could have a material adverse impact.

**Impact of the Spread of COVID-19:** In late 2019, a novel strain of coronavirus (COVID-19) emerged in Wuhan, Hubei Province, China. COVID-19 has spread throughout the world, including to the United States, resulting in the World Health Organization proclaiming COVID-19 to be a pandemic and the declaration of a national emergency. In response to the spread of COVID-19, the United States government, state governments, local governments and private industries have taken measures to limit social interactions in an effort to limit the spread of COVID-19. The effects of the spread of COVID-19 and the government and private responses to the spread continue to rapidly evolve. COVID-19 has caused significant disruptions to the global, national and State economy. The extent to which the coronavirus impacts the City and its financial condition will depend on future developments, which are highly uncertain and cannot be predicted by the City, including the duration of the outbreak and measures taken to address the outbreak.

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Preliminary Official Statement and the Appendices hereto.

# VALUATIONS

## OVERVIEW

The valuation of each parcel of real property subject to taxation must, by law, be updated each year, as of each January 1, and must be physically inspected by the appraiser at least once every six years. With the exception of agricultural land, all property is valued at its market value in money which is the value the appraiser determines to be the price the appraiser believes the property to be fairly worth, and which is referred to as the "Fair Market Value". Land devoted to agricultural use is appraised on the basis of the income-generating capabilities of such land for agricultural purposes at median levels of production.

For taxable years commencing January 1, 1993, and thereafter, property is classified and assessed at the percentages of value as follows:

### Class 1

This class consists of real property. Real property is further classified into seven subclasses. Such property is defined by law for the purpose of subclassification and assessed uniformly as to subclass at the following percentages of market value:

#### **Type of Property**

- |  |      |
|--|------|
| 1) Real property used for residential purposes including multi-family residential real property and real property necessary to accommodate a residential community of mobile or manufactured homes including the real property upon which such homes are located | 11½% |
| 2) Land devoted to agricultural use which shall be valued upon the basis of its agricultural income or agricultural productivity pursuant to Section 12 of Article 11 of the Constitution  | 30%  |
| 3) Vacant lots   | 12%  |
| 4) Real property which is owned and operated by a not-for-profit organization not subject to federal income taxation pursuant to Section 501 of the federal Internal Revenue Code, and which is included in the subclass by law                                  | 12%  |
| 5) Public utility real property, except railroad real property which shall be assessed at the average rate that all other commercial and industrial property is assessed   | 33%  |
| 6) Real property used for commercial and industrial purposes and building and other improvements located upon land devoted to agricultural use   | 25%  |
| 7) All other urban and rural real property no otherwise specifically subclassified   | 30%  |

## **Class 2**

This class consists of tangible personal property. Such tangible personal property is further classified into six subclasses. Such property is defined by law for the purpose of subclassification and assessed uniformly as to subclass at the following percentages of market value:

### **Type of Property**

- |  |      |
|--|------|
| 1) Mobile homes used for residential purposes  | 11½% |
| 2) Mineral leasehold interest, except oil leasehold interests, the average daily production from which is five barrels or less, and natural gas leasehold interest, the average daily production from which is 100 mcf or less, which shall be assessed at 25%   | 30%  |
| 3) Public utility tangible personal property including inventories thereof, except railroad personal property including inventories thereof, which shall be assessed at the average rate all other commercial and industrial property is assessed  | 33%  |
| 4) All categories of motor vehicles not defined and specifically valued and taxes pursuant to law enacted prior to January 1, 1985   | 20%  |
| 5) Commercial and industrial machinery and equipment which, if its economic life is seven years or more, shall be valued at its retail cost less seven-year straight-line depreciation, or which, if its economic life is less than seven years, shall be valued at its retail cost when new less straight-line depreciation over its economic life, except that, the value so obtained for such property, notwithstanding its economic life and as long as such property is being used, shall not be less than 20% of the retail cost when new of such property | 25%  |
| 6) All other tangible personal property not otherwise specifically classified  | 30%  |

All property used exclusively for state, county, municipal, literary, educational, scientific, religious, benevolent and charitable purposes, farm machinery and equipment, merchants' and manufacturers' inventories (other than public utility inventories included in Subclass 3) of Class 2, livestock, and all household goods and personal effects not used for the production of income is exempted from property taxation.

The 2006 Kansas Legislature exempted from all property or ad valorem property taxes levied under the laws of the State all commercial, industrial, telecommunications and railroad machinery and equipment acquired by qualified purchase or lease after June 30, 2006 or transported into the State after June 30, 2006 for the purpose of expanding an existing business or creation of a new business.

The Legislature may from time to time adopt changes in the property tax system or method of imposing and collecting property taxes within the State. Taxpayers may also challenge the fair market value of property assigned by the county appraiser. The effects of such legislative changes and successful challenges to the appraiser's determination of fair market value could affect the Issuer's property tax collections. If a taxpayer valuation challenge is successful, the liability of the Issuer to refund property taxes previously paid under protest may have a material impact on the Issuer's financial situation.

## CURRENT PROPERTY VALUATIONS

|   | 2020<br>Assessed Valuation |
|---|----------------------------|
| Real Estate                                 | \$167,059,449              |
| Personal Property                           | 807,566                    |
| State Assessed Utilities                    | 4,614,951                  |
| Taxable Assessed Valuation                  | \$172,481,966              |
| Plus: Motor Vehicles                        | 13,698,513                 |
| Recreational Vehicles                       | 38,026                     |
| Total Equalized Assessed Tangible Valuation | <u>\$186,218,505</u>       |

## TREND OF ASSESSED VALUATIONS

| Year | Real<br>Property | Personal<br>Property | State<br>Assessed<br>Utilities | Motor<br>Vehicles/<br>Recreational<br>Vehicles | Total Equalized<br>Assessed<br>Tangible<br>Valuation | Percent +/- in<br>Total Equalized<br>Assessed Tangible<br>Valuation |
|------|------------------|----------------------|--------------------------------|--|--|---|
| 2016 | \$127,313,589    | \$1,250,762          | \$3,412,918                    | \$12,423,247                                   | \$144,400,516  | + 8.11%   |
| 2017 | 134,635,081      | 1,000,871            | 4,024,616                      | 12,987,922                                     | 152,648,490  | + 5.75%   |
| 2018 | 148,847,600      | 944,126              | 7,694,157                      | 13,541,214                                     | 171,027,097  | + 10.56%  |
| 2019 | 155,567,465      | 842,751              | 4,496,009                      | 31,415,491                                     | 174,321,716  | + 4.51%   |
| 2020 | 167,059,449      | 807,566              | 4,614,951                      | 13,736,539                                     | 186,218,505  | + 7.39%   |

**Source:** *Current Property Valuations and Trend of Assessed Valuations have been furnished by Johnson County Records & Tax Administration ([www.rta.jocogov.org](http://www.rta.jocogov.org)).*

## LARGER TAXPAYERS

| Taxpayer                                     | Type of Property | 2020 Taxable<br>Assessed<br>Valuation | Percent of City's<br>Total Taxable<br>Assessed<br>Valuation |
|--|------------------|---------------------------------------|---|
| Scriptpro, LLC                               | Commercial       | \$5,532,834                           | 3.21%   |
| Tower Properties Company                     | Commercial       | 3,480,245                             | 2.02%   |
| SNH Medical Office Properties Trust          | Commercial       | 3,434,191                             | 1.99%   |
| Mission Apartments, LLC                      | Apartments       | 3,429,415                             | 1.99%   |
| CAPROCQ Mission, LLC                         | Commercial       | 3,316,059                             | 1.92%   |
| Target Corporation                           | Commercial       | 3,312,146                             | 1.92%   |
| Bridges at Foxridge, LLC                     | Real Estate      | 3,276,120                             | 1.90%   |
| Ranta Silverwood SPE, LLC                    | Commercial       | 3,206,200                             | 1.86%   |
| Whispering Falls, LLC                        | Commercial       | 2,599,230                             | 1.51%   |
| Southwestern Bell Telephone, LP              | Commercial       | <u>2,372,870</u>                      | <u>1.38%</u>  |
| <b>Total</b>                                 |                  | <b>\$33,959,310</b>                   | <b>19.69%</b>   |
| City's Total 2020 Taxable Assessed Valuation |                  | \$172,481,966                         |   |

**Source:** *Larger Taxpayers have been furnished by Johnson County.*

## DEBT

### DIRECT DEBT<sup>1</sup>

#### General Obligation Debt (see schedules following)

|  |                            |
|--|----------------------------|
| Total G.O. debt being paid from sales taxes  | \$ 1,480,000               |
| Total G.O. debt being paid from taxes and other city revenues<br>(includes the Bonds)* | <u>17,905,000</u>          |
| Total General Obligation Debt*   | <u><u>\$19,385,000</u></u> |

#### Lease Purchase Obligations (see schedule following)

|   |                         |
|---|-------------------------|
| Total lease purchase obligations paid by annual appropriations <sup>2</sup> | <u><u>\$270,000</u></u> |
|---|-------------------------|

\*Preliminary, subject to change.

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<sup>1</sup> Outstanding debt is as of the dated date of the Bonds.

<sup>2</sup> Non-general obligation debt has not been included in the debt ratios.

City of Mission, Kansas  
Schedule of Bonded Indebtedness  
General Obligation Debt Secured by Sales Tax  
(As of 11/10/2021)

|                         |  | G.O. Bonds 1)<br>Series 2012A |          | G.O. Sales Tax Bonds 1)<br>Series 2013B |          |                 |                |             |                          |
|-------------------------|--|-------------------------------|----------|---|----------|-----------------|----------------|-------------|--------------------------|
| Dated<br>Amount         |  | 02/16/2012<br>\$4,360,000     |          | 07/11/2013<br>\$4,510,000               |          |                 |                |             |                          |
| Maturity                |  | 09/01                         |          | 09/01                                   |          |                 |                |             |                          |
| Calendar<br>Year Ending |  | Principal                     | Interest | Principal                               | Interest | Total Principal | Total Interest | Total P & I | Principal<br>Outstanding |
| 2022                    |  | 465,000                       | 9,300    | 500,000                                 | 30,450   | 965,000         | 39,750         | 1,004,750   | 515,000                  |
| 2023                    |  |                               |          | 515,000                                 | 15,450   | 515,000         | 15,450         | 530,450     | 0                        |
|                         |  | 465,000                       | 9,300    | 1,015,000                               | 45,900   | 1,480,000       | 55,200         | 1,535,200   |                          |

1) These issues are subject to the debt limit.

City of Mission, Kansas  
Schedule of Bonded Indebtedness  
General Obligation Debt Secured by Taxes  
(As of 11/10/2021)

| Dated<br>Amount         | Maturity | G.O. Bonds<br>Series 2013A |          | G.O. Bonds<br>Series 2013C |          | G.O. Refunding Bonds 1)<br>Series 2014-A |          | G.O. Bonds<br>Series 2019A |          | G.O. Refunding Bonds 1)<br>Series 2020A |          |
|-------------------------|----------|----------------------------|----------|----------------------------|----------|--|----------|----------------------------|----------|---|----------|
|                         |          | 07/11/2013<br>\$680,000    | 09/01    | 12/20/2013<br>\$4,480,000  | 09/01    | 08/07/2014<br>\$9,795,000                | 09/01    | 08/15/2019<br>\$3,470,000  | 09/01    | 07/09/2020<br>\$6,020,000               | 09/01    |
| Calendar<br>Year Ending |          | Principal                  | Interest | Principal                  | Interest | Principal                                | Interest | Principal                  | Interest | Principal                               | Interest |
| 2022                    |          | 75,000                     | 4,500    | 525,000                    | 25,438   | 925,000                                  | 129,738  | 55,000                     | 163,550  | 1,145,000                               | 95,525   |
| 2023                    |          | 75,000                     | 2,250    | 545,000                    | 13,625   | 950,000                                  | 110,313  | 410,000                    | 160,800  | 435,000                                 | 72,625   |
| 2024                    |          |                            |          |                            |          | 975,000                                  | 86,563   | 430,000                    | 140,300  | 440,000                                 | 63,925   |
| 2025                    |          |                            |          |                            |          | 395,000                                  | 62,188   | 450,000                    | 118,800  | 1,055,000                               | 55,125   |
| 2026                    |          |                            |          |                            |          | 410,000                                  | 51,325   | 475,000                    | 96,300   | 640,000                                 | 34,025   |
| 2027                    |          |                            |          |                            |          | 430,000                                  | 40,050   | 495,000                    | 72,550   | 645,000                                 | 21,225   |
| 2028                    |          |                            |          |                            |          | 445,000                                  | 27,150   | 520,000                    | 47,800   | 275,000                                 | 8,325    |
| 2029                    |          |                            |          |                            |          | 460,000                                  | 13,800   | 545,000                    | 21,800   | 280,000                                 | 4,200    |
| 2030                    |          |                            |          |                            |          |  |          |                            |          |   |          |
| 2031                    |          |                            |          |                            |          |  |          |                            |          |   |          |
| 2032                    |          |                            |          |                            |          |  |          |                            |          |   |          |
| 2033                    |          |                            |          |                            |          |  |          |                            |          |   |          |
| 2034                    |          |                            |          |                            |          |  |          |                            |          |   |          |
| 2035                    |          |                            |          |                            |          |  |          |                            |          |   |          |
| 2036                    |          | 150,000                    | 6,750    | 1,070,000                  | 39,063   | 4,990,000                                | 521,125  | 3,380,000                  | 821,900  | 4,915,000                               | 354,975  |

1) These issues are not subject to the debt limit.

--Continued on next page



City of Mission, Kansas  
Schedule of Bonded Indebtedness continued  
General Obligation Debt Secured by Taxes  
(As of 11/10/2021)

G.O. Bonds  
Series 2021A

| Dated                | 11/10/2021   |                    |                 |                |             |                       |         |                      |
|----------------------|--------------|--------------------|-----------------|----------------|-------------|-----------------------|---------|----------------------|
| Amount               | \$3,400,000* |                    |                 |                |             |                       |         |                      |
| Maturity             | 09/01        |                    |                 |                |             |                       |         |                      |
| Calendar Year Ending | Principal    | Estimated Interest | Total Principal | Total Interest | Total P & I | Principal Outstanding | % Paid  | Calendar Year Ending |
| 2022                 | 220,000      | 32,301             | 2,945,000       | 451,051        | 3,396,051   | 14,960,000            | 16.45%  | 2022                 |
| 2023                 | 215,000      | 39,080             | 2,630,000       | 398,693        | 3,028,693   | 12,330,000            | 31.14%  | 2023                 |
| 2024                 | 215,000      | 38,005             | 2,060,000       | 328,793        | 2,388,793   | 10,270,000            | 42.64%  | 2024                 |
| 2025                 | 215,000      | 36,715             | 2,115,000       | 272,828        | 2,387,828   | 8,155,000             | 54.45%  | 2025                 |
| 2026                 | 215,000      | 35,210             | 1,740,000       | 216,860        | 1,956,860   | 6,415,000             | 64.17%  | 2026                 |
| 2027                 | 220,000      | 33,275             | 1,790,000       | 167,100        | 1,957,100   | 4,625,000             | 74.17%  | 2027                 |
| 2028                 | 220,000      | 30,965             | 1,460,000       | 114,240        | 1,574,240   | 3,165,000             | 82.32%  | 2028                 |
| 2029                 | 225,000      | 28,435             | 1,510,000       | 68,235         | 1,578,235   | 1,655,000             | 90.76%  | 2029                 |
| 2030                 | 225,000      | 25,623             | 225,000         | 25,623         | 250,623     | 1,430,000             | 92.01%  | 2030                 |
| 2031                 | 230,000      | 22,698             | 230,000         | 22,698         | 252,698     | 1,200,000             | 93.30%  | 2031                 |
| 2032                 | 230,000      | 19,478             | 230,000         | 19,478         | 249,478     | 970,000               | 94.58%  | 2032                 |
| 2033                 | 235,000      | 16,143             | 235,000         | 16,143         | 251,143     | 735,000               | 95.90%  | 2033                 |
| 2034                 | 240,000      | 12,500             | 240,000         | 12,500         | 252,500     | 495,000               | 97.24%  | 2034                 |
| 2035                 | 245,000      | 8,540              | 245,000         | 8,540          | 253,540     | 250,000               | 98.60%  | 2035                 |
| 2036                 | 250,000      | 4,375              | 250,000         | 4,375          | 254,375     | 0                     | 100.00% | 2036                 |
|                      | 3,400,000    | 383,341            | 17,905,000      | 2,127,154      | 20,032,154  |                       |         |                      |

\* Preliminary, subject to change.

**City of Mission, Kansas  
Schedule of Bonded Indebtedness  
Non-General Obligation Debt Securities  
(As of 11/10/2021)**

| Lease Purchase Series 2020 |               |          |                 |                |             |                       |         |                      |  |
|----------------------------|---------------|----------|-----------------|----------------|-------------|-----------------------|---------|----------------------|--|
| Dated Amount               | 03/10/2020    |          | \$420,000       |                |             |                       |         |                      |  |
| Maturity                   | 03/01 & 09/01 |          |                 |                |             |                       |         |                      |  |
| Calendar Year Ending       | Principal     | Interest | Total Principal | Total Interest | Total P & I | Principal Outstanding | % Paid  | Calendar Year Ending |  |
| 2022                       | 105,000       | 4,929    | 105,000         | 4,929          | 109,929     | 165,000               | 38.89%  | 2022                 |  |
| 2023                       | 110,000       | 2,767    | 110,000         | 2,767          | 112,767     | 55,000                | 79.63%  | 2023                 |  |
| 2024                       | 55,000        | 553      | 55,000          | 553            | 55,553      | 0                     | 100.00% | 2024                 |  |
|                            | 270,000       | 8,249    | 270,000         | 8,249          | 278,249     |                       |         |                      |  |

## DEBT LIMIT

|  |                             |
|--|-----------------------------|
| 2020 Equalized Assessed Tangible Valuation   | \$186,218,505               |
| Multiply by 30%  | <u>0.30</u>                 |
| Statutory Debt Limit   | \$ 55,865,552               |
| Less: Outstanding debt subject to the debt limit*<br>(includes the Bonds of this offering) | <u>(9,480,000)</u>          |
| Unused Debt Limit*   | <u><u>\$ 46,385,552</u></u> |

\*Preliminary, subject to change.

## OVERLAPPING DEBT<sup>1</sup>

| Taxing District                        | 2020 Taxable<br>Assessed<br>Valuation | % In<br>City | Total<br>G.O. Debt <sup>2</sup> | City's<br>Proportionate<br>Share |
|--|---------------------------------------|--------------|---------------------------------|----------------------------------|
| Johnson County                         | \$ 11,733,829,400                     | 1.4600%      | \$ 236,104,500                  | \$ 3,447,126                     |
| U.S.D. No. 512 (Shawnee Mission)       | 4,328,709,801                         | 3.9700%      | 426,650,000                     | 16,938,005                       |
| Consolidated Fire District No. 2       | 1,104,649,672                         | 15.6200%     | 5,370,000                       | 838,794                          |
| City's Share of Total Overlapping Debt |                                       |              |                                 | <u><u>\$21,223,925</u></u>       |

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<sup>1</sup> Overlapping debt is as of the dated date of the Bonds. Only those taxing jurisdictions with general obligation debt outstanding are included in this section. Does **not** include non-general obligation debt, self-supporting general obligation revenue debt, or short-term general obligation debt. Johnson County Total G.O. Debt figure excludes general obligation debt supported by utility revenues and includes \$225,060,000 of lease purchase revenue bonds issued by the Public Building Commission of Johnson County (PBC) which are payable solely from lease payments received by the PBC from Johnson County.

<sup>2</sup> Outstanding debt is based on information in official statements obtained on EMMA and the Municipal Advisor's records.

## DEBT RATIOS

|   | <b>G.O. Debt</b>  | <b>Debt/Total<br/>Equalized Assessed<br/>Tangible Valuation<br/>(\$186,218,505)</b> | <b>Debt/9,523<br/>Current<br/>Estimated<br/>Population</b> |
|---|-------------------|---|--|
| Direct G.O. Debt Being Paid From:                   |                   |   |  |
| Sales Taxes   | \$ 1,480,000      |   |  |
| Taxes and Other City Revenues                       | <u>17,905,000</u> |   |  |
| Total General Obligation Debt (includes the Bonds)* | \$ 19,385,000     | 10.41%  | \$2,035.60   |
| <br>City's Share of Total Overlapping Debt          | <br>\$ 21,223,925 | <br>11.40%  | <br>\$2,228.70   |
| <br>Total   | <br>\$ 40,608,925 | <br>22.79%  | <br>\$4,457.40   |

\*Preliminary, subject to change.

## DEBT PAYMENT HISTORY

The City has no record of default in the payment of principal and interest on its debt.

## FUTURE FINANCING

The City plans to issue approximately \$6,000,000 in General Obligation Bonds for Foxridge Phase II projects and various miscellaneous street improvement projects in the next 12 months.

## TAX LEVIES AND COLLECTIONS

### TAX COLLECTIONS

| Levy/Budget<br>Year | Total Taxes<br>Levied | Total Collected<br>Following Year | Collected<br>to Date <sup>1</sup> | % Collected |
|---------------------|-----------------------|-----------------------------------|-----------------------------------|-------------|
| 2016/17             | \$ 2,341,461          | \$ 2,316,461                      | \$ 2,316,461                      | 98.93%      |
| 2017/18             | 2,470,388             | 2,452,805                         | 2,452,805                         | 99.29%      |
| 2018/19             | 2,773,544             | 2,750,412                         | 2,796,677                         | 100.00%     |
| 2019/20             | 2,719,838             | 2,663,742                         | 2,663,742                         | 97.94%      |
| 2020/21             | 2,818,835             | In process of collection          |                                   |             |

Property taxes are certified by the City to the County Clerk by August 25 or each year for the following fiscal year. Taxes are levied by the County Clerk and payable to the County Treasurer. Property taxes may be paid in two installments, the first due December 20 in the year the taxes are levied and the second due May 10 of the following year. Taxes become delinquent after May 10 and interest accrues at a rate set by State statute until paid or until the property is sold for taxes. Special assessments are levied and collected in the same manner as property taxes.

The spread of COVID-19 and responses taken by the United States government, state governments, local governments and private industries have caused significant disruptions to the national and State economy. See "RISK FACTORS - Impact of the Spread of COVID-19" herein. Certain states have announced extended deadlines for payment of property taxes, although as of this date Kansas has not taken such measures. The City cannot predict whether and how much payment of property taxes will be impacted. Any delays or reduction in the receipt of property taxes may materially adversely impact the City's finances and payment of debt obligations, including the Bonds.

**Source:** *Johnson County Treasurer's office*

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<sup>1</sup> Collections are through December 31, 2020.

## TAX MILL LEVIES<sup>1</sup>

|  | 2016   | 2017   | 2018   | 2019   | 2020   |
|--|--------|--------|--------|--------|--------|
| Johnson County                         | 19.590 | 19.318 | 19.024 | 19.036 | 18.799 |
| State of Kansas                        | 1.500  | 1.500  | 1.500  | 1.500  | 1.500  |
| City of Mission                        | 18.019 | 17.973 | 17.878 | 17.157 | 17.048 |
| Johnson County Park & Rec.<br>District | 3.102  | 3.112  | 3.088  | 3.090  | 3.093  |
| Johnson County Library                 | 3.915  | 3.921  | 3.901  | 3.904  | 3.905  |
| Johnson County Community<br>College    | 9.473  | 9.503  | 9.266  | 9.121  | 9.191  |
| U.S.D. 512 (Shawnee Mission)           | 54.940 | 53.663 | 54.427 | 52.121 | 52.351 |
| Consolidated Fire District No. 2       | 11.769 | 11.760 | 11.750 | 11.753 | 11.201 |

**Source:** *County Abstract of Taxes.*

## ACCOUNTING, BUDGETING AND AUDITING PROCEDURES

The City follows a modified accrual basis of accounting for all tax supported funds of the City, including the General Fund. The City follows a cash receipts and disbursement basis of accounting which is adjusted for the issuing of statements, to the accrual or modified accrual basis, as appropriate.

An annual budget of estimated receipts and disbursements for the coming calendar year is required by statute to be prepared for all funds (unless specifically exempted). The budget is prepared utilizing the modified accrual basis which is further modified by the encumbrance method of accounting. For example, commitments such as purchase orders and contracts, in addition to disbursements and accounts payable, are recorded as expenditures. The budget lists estimated receipts by funds and sources and estimated disbursements by funds and purposes. The proposed budget is presented to the governing body of the City prior to August 1, with a public hearing required to be held prior to August 15, with the final budget to be adopted by a majority vote of the governing body of the City prior to August 25 of each year (or September 20 if the City must conduct a public hearing to levy taxes in excess of its revenue neutral rate described below). Budgets may be amended upon action of the governing body after notice and public hearing, provided that no additional tax revenues may be raised after the original budget is adopted.

The City may levy taxes in accordance with the requirements of its adopted budget. Property tax levies are based on the adopted budget of the City and the assessed valuations provided by the County appraiser. In 2021, the Kansas Legislature passed legislation (the “Revenue Neutral Tax Act”) that repeals the “tax lid” (formerly K.S.A. 79-2925c) and provides that, beginning January 1, 2021, a taxing subdivision (which includes any political subdivision of the State that levies an ad valorem property tax, including the City) is not authorized to levy a property tax rate in excess of its revenue neutral rate without first providing notice, holding a public hearing, and authorizing such property tax rate by majority vote of its governing body. The revenue neutral rate means the tax rate for the current tax year that would generate the same property tax revenue as levied the previous tax year using the current tax year’s total assessed valuation.

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<sup>1</sup> Tax Levy Rates for a Resident of the City (per \$1,000 assessed valuation).

The Revenue Neutral Tax Act provides that by June 15 of every year, each county clerk shall calculate the revenue neutral rate for each taxing subdivision in their respective county. If a taxing subdivision desires to levy a tax rate in excess of its revenue neutral rate, it must first publish notice of a public hearing and notify, by July 20, the county clerk of the taxing subdivision's intent to exceed the revenue neutral rate. The county clerk is required to provide notice of the public hearing to each taxpayer with property in the taxing subdivision, along with following information concerning the taxing subdivision: (1) the revenue neutral rate, (2) the proposed property tax revenue needed to fund the proposed budget, (3) the proposed tax rate based on the proposed budget, (4) the tax rate and property tax of each taxing subdivision on the taxpayer's property from the previous year's tax statement, (5) the appraised value and assessed value of the taxpayer's property, (6) estimates of the tax for the current tax year on the taxpayer's property based on the revenue neutral rate of each taxing subdivision and any proposed tax rates that exceed the revenue neutral rates, (7) the difference between the estimates of tax based on the proposed tax rate and the revenue neutral rate. The public hearing regarding exceeding the revenue neutral rate is to be held between August 20 and September 20, and can be held in conjunction with the taxing subdivision's budget hearing. If multiple taxing subdivisions within the county are required to hold a public hearing, the county clerk's notices to the taxpayer can be combined into a single notice. After the public hearing, the taxing subdivision can approve exceeding the revenue neutral rate by governing body approval of a resolution or ordinance, and thereafter the taxing subdivisions will hold the public hearing and adopt the budget by majority vote of its governing body. The amount of tax to be levied and the adopted budget must be certified to the county clerk by October 1. The taxing subdivision's adopted budget shall not result in a tax rate in excess of its proposed rate stated in the notice provided to the taxpayers. If a taxing subdivision fails to comply with the requirements of the Revenue Neutral Tax Act, it shall refund to the taxpayers any property taxes over-collected based on the amount of the levy that was in excess of the revenue neutral rate.

The City cannot predict the impact of the Revenue Neutral Tax Act on the ratings on the Bonds, or the general rating of the City. A change in the rating on the Bonds or a change in the general rating of the City may adversely impact the market price of the Bonds in the secondary market.

# THE ISSUER

## CITY GOVERNMENT

The City of Mission was organized as a municipality in 1951. Under the laws of the State of Kansas, it became a second class city in 1959 and has a Council-Mayor-Administrator form of government. consisting of an eight-member City Council. The City Administrator and City Clerk are responsible for administrative details and financial records.

## EMPLOYEES; PENSIONS; UNIONS

The City currently has 73 full-time, 94 part-time, and 5 seasonal employees. The City participates in the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Fire Retirement System (KP&F), which are both part of a cost-sharing, multiple-employer defined benefit pension plan. The City collects and remits member-employee contributions according to the provision of Section 414(h) of the Internal Revenue Code. KPERS and KP&F are funded on an actuarial reserve basis.

As of June 30, 2019, KPERS serves approximately 318,000 members and approximately 1,500 participating employers, including the State, school districts, counties, cities, public libraries, hospitals and other governmental units. KPERS administers the following three statewide, defined benefit retirement plans for public employees:

- (a) Kansas Public Employees Retirement System;
- (b) Kansas Police and Firemen's Retirement System; and
- (c) Kansas Retirement System for Judges.

These three plans are separate and distinct with different membership groups, actuarial assumptions, experience, contribution rates and benefit options. The Kansas Public Employees Retirement System is the largest of the three plans, accounting for approximately 95% of the members. The Kansas Public Employees Retirement System is further divided into two separate groups, as follows:

- (a) State/School Group - includes members employed by the State, school districts, community colleges, vocational technical schools and educational cooperatives. The State of Kansas makes all employer contributions for this group, the majority of which comes from the State General Fund.
- (b) Local Group - all participating cities, counties, library boards, water districts and political subdivisions are included in this group. Local employers contribute at a different rate than the State/School Group rate.

KPERS is currently a qualified, governmental, § 401(a) defined benefit pension plan, and has received IRS determination letters attesting to the plan's qualified status dated October 14, 1999 and March 5, 2001. KPERS is also a "contributory" defined benefit plan, meaning that employees make contributions to the plan. This contrasts it from noncontributory pension plans, which are funded solely by employer contributions. The Issuer's employees currently annually contribute 6% of their gross salary to the plan if such employees are KPERS Tier 1 members (covered employment prior to July 1, 2009), KPERS Tier 2 members (covered employment on or after July 1, 2009), or KPERS Tier 3 members (covered employment on or after January 1, 2015).

The Issuer's contribution varies from year to year based upon the annual actuarial valuation and appraisal made by KPERS, subject to legislative caps on percentage increases. The Issuer's contribution is 8.87% of the employee's gross salary for calendar year 2021. The Issuer's contribution is projected to change to 8.90% of gross compensation for calendar year 2022. In addition, the Issuer contributes 1% of the employee's gross salary for Death and Disability Insurance for covered employees; provided that starting July 1, 2021, there will be a moratorium on the Death and



Disability Insurance rate, and the Issuer will contribute 0% of the employee's gross salary for Death and Disability Insurance for covered employees after such date.

According to the Valuation Report as of December 31, 2019 (the "2019 Valuation Report") the KPERS Local Group, of which the Issuer is a member, carried an unfunded accrued actuarial liability ("UAAL") of approximately \$1.502 billion at the end of 2019. The amount of the UAAL in 2019 changed from the previous year's amount due to the factors discussed in the 2019 Valuation Report; such report also includes additional information relating to the funded status of the KPERS Local Group, including recent trends in the funded status of the KPERS Local Group. A copy of the 2019 Valuation Report is available on the KPERS website at [kpers.org/about/reports.html](http://kpers.org/about/reports.html). The Issuer has no means to independently verify any of the information set forth on the KPERS website or in the 2019 Valuation Report, which is the most recent financial and actuarial information available on the KPERS website relating to the funded status of the KPERS Local Group. The 2019 Valuation Report sets the employer contribution rate for the period beginning January 1, 2022, for the KPERS Local Group, and KPERS' actuaries identified that an employer contribution rate of 8.90% of covered payroll would be necessary, in addition to statutory contributions by covered employees, to eliminate the UAAL by the end of the actuarial period set forth in the 2019 Valuation Report. The statutory contribution rate of employers currently equals the 2019 Valuation Report's actuarial rate. As a result, members of the Local Group are adequately funding their projected actuarial liabilities and the UAAL can be expected to diminish over time. The required employer contribution rate may increase up to the maximum statutorily allowed rate, which is 1.2% in fiscal year 2017 and thereafter.

The Issuer has established membership in the Kansas Police and Fire Retirement System ("KP&F") for its police and fire personnel. KP&F is a division of and is administered by KPERS. Annual contributions are adjusted annually based on actuarial studies, subject to legislative caps on percentage increases. According to the 2019 Valuation Report, KP&F carried an UAAL of approximately \$949 million at the end of 2019. For KP&F, the Issuer's employees currently annually contribute 7.15% of their gross salary to the plan. For the year beginning January 1, 2021, the Issuer contributes 22.80% of employees' gross compensation. Beginning January 1, 2022, the Issuer's contribution is projected to change to 22.99% of gross compensation for calendar year 2022.

The City has established the City of Mission Money Purchase Plan available to employees other than those participating in KP&F. Employees are eligible to participate after completing 1,000 or more hours of service. See the Notes to Financial Statements in Appendix A for a detailed description of the Plan.

### **Recognized and Certified Bargaining Units**

The City does not have recognized and certified bargaining units.

### **OTHER POST EMPLOYMENT BENEFITS**

The City has obligations for some post-employment benefits for its employees. Accounting for these obligations is dictated by Governmental Accounting Standards Board Statement No. 75 (GASB 75). The City's most recent Comprehensive Annual Financial Report (Audit) shows a total OPEB liability of \$878,361 as of December 31, 2020. The City has been funding these obligations on a pay-as-you-go basis.

**Source:** The City's most recent Audit.

### **LITIGATION**

There is no litigation threatened or pending questioning the organization or boundaries of the City or the right of any of its officers to their respective offices or in any manner questioning their rights and power to execute and deliver the Bonds or otherwise questioning the validity of the Bonds.

**MUNICIPAL BANKRUPTCY**

Municipalities are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State’s executive branch.

Currently there is no statutory authority for Kansas municipalities to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code.

Nevertheless, there can be no assurance (a) that State law will not change in the future while the Bonds are outstanding; or (b) even absent such a change in State law, that an executive order or other executive action could not effectively authorize the City to file for relief under Chapter 9; or (c) whether it would still be eligible for voluntary or involuntary relief under Chapters of the Bankruptcy Code other than Chapter 9 or under similar federal or state law or equitable proceeding regarding insolvency or providing for protection from creditors. Such action could impact the rights of holders of the Bonds. Such modifications could be adverse to holders of the Bonds and there could ultimately be no assurance that holders of the Bonds would be paid in full or in part on the Bonds.

**FUNDS ON HAND** (As of August 31, 2021)

| <b>Fund</b>                          | <b>Total Cash<br/>and Investments</b> |
|--------------------------------------|---------------------------------------|
| General Fund                         | \$ 4,656,004                          |
| Special Highway Fund                 | 529,021                               |
| Street Sales Tax Fund                | 355,074                               |
| Special Parks & Recreation Sales Tax | 999,266                               |
| Storm Drain Utility                  | 772,846                               |
| Capital Improvement Fund             | 1,337,086                             |
| <b>Total Funds on Hand</b>           | <u><u>\$ 8,649,297</u></u>            |

## SUMMARY GENERAL FUND INFORMATION

Following are summaries of the revenues and expenditures and fund balances for the City's General Fund. These summaries are not purported to be the complete audited financial statements of the City, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the City. Copies of the complete statements are available upon request. Appendix A includes the City's 2020 audited financial statements.

| FISCAL YEAR ENDING DECEMBER 31                      |                      |                      |                    |                           |                           |
|---|----------------------|----------------------|--------------------|---------------------------|---------------------------|
| COMBINED STATEMENT                                  | 2018<br>Audited      | 2019<br>Audited      | 2020<br>Audited    | 2021 Revised<br>Budget 1) | 2022 Adopted<br>Budget 2) |
| Revenues  |                      |                      |                    |                           |                           |
| Taxes   | \$8,869,371          | \$9,125,867          | \$9,243,775        | \$9,691,900               | \$9,900,300               |
| Intergovernmental                                   | 80,109               | 88,603               | 79,553             | 95,000                    | 95,000                    |
| Licenses and permits                                | 155,469              | 155,897              | 155,331            | 135,250                   | 154,000                   |
| Fines and Fees                                      | 1,406,613            | 1,372,577            | 793,465            | 891,600                   | 943,500                   |
| Charges for services                                | 1,761,075            | 1,789,978            | 657,528            | 894,600                   | 1,077,700                 |
| Use of money and property                           | 0                    | 0                    | 0                  | 0                         | 0                         |
| Interest  | 61,369               | 104,556              | 13,067             | 1,500                     | 5,000                     |
| Other miscellaneous revenues                        | 389,255              | 151,891              | 672,904            | 312,360                   | 236,640                   |
| <b>Total Revenues</b>                               | <b>\$12,723,261</b>  | <b>12,789,369</b>    | <b>11,615,623</b>  | <b>\$12,022,210</b>       | <b>\$12,412,140</b>       |
| Expenditures  |                      |                      |                    |                           |                           |
| Current:  |                      |                      |                    |                           |                           |
| General government                                  | \$2,275,151          | \$2,173,395          | \$2,383,991        | \$2,223,320               | \$2,200,960               |
| Public safety                                       | 3,756,157            | 3,983,436            | 3,827,951          | 4,153,385                 | 4,339,050                 |
| Public works  | 1,778,446            | 1,758,741            | 2,004,228          | 2,251,821                 | 2,494,022                 |
| Culture and recreation                              | 2,632,716            | 2,703,338            | 2,122,427          | 2,615,350                 | 2,805,000                 |
| Debt service  | 273,948              | 195,774              | 219,725            | 183,000                   | 432,538                   |
| Capital outlay                                      | 244,140              | 650,226              | 924,445            | 3,550,601                 | 82,700                    |
| <b>Total Expenditures</b>                           | <b>\$10,960,558</b>  | <b>11,464,910</b>    | <b>11,482,767</b>  | <b>\$14,977,477</b>       | <b>\$12,354,270</b>       |
| <b>Excess of revenues over (under) expenditures</b> | <b>\$1,762,703</b>   | <b>\$1,324,459</b>   | <b>\$132,856</b>   | <b>(\$2,955,267)</b>      | <b>\$57,870</b>           |
| <b>Other Financing Sources (Uses)</b>               |                      |                      |                    |                           |                           |
| Operating transfers in                              | 0                    | 0                    | 0                  | 751,782                   | 751,782                   |
| Operating transfers out                             | (1,114,892)          | (1,099,780)          | (1,117,107)        | (1,187,500)               | (1,220,575)               |
| Leases  | 0                    | 0                    | 420,000            | 0                         | 0                         |
| Sale of capital assets                              | 2,968                | 44,807               | 0                  | 0                         | 0                         |
| Sale proceeds                                       | 0                    | 0                    | 0                  | 3,351,000                 |                           |
| <b>Total Other Financing Sources (Uses)</b>         | <b>(\$1,111,924)</b> | <b>(\$1,054,973)</b> | <b>(\$697,107)</b> | <b>\$2,915,282</b>        | <b>(\$468,793)</b>        |
| <b>Net changes in Fund Balances</b>                 | <b>\$650,779</b>     | <b>269,486</b>       | <b>(564,251)</b>   | <b>(\$39,985)</b>         | <b>(\$410,923)</b>        |
| General Fund Balance January 1                      | 5,000,923            | 5,343,352            | 5,612,838          |                           |                           |
| Prior Period Adjustment                             | (308,350)            | 0                    | 0                  |                           |                           |
| Residual Equity Transfer in (out)                   | 0                    | 0                    | 0                  |                           |                           |
| General Fund Balance December 31                    | <b>\$5,343,352</b>   | <b>\$5,612,838</b>   | <b>\$5,048,587</b> |                           |                           |
| <b>DETAILS OF DECEMBER 31 FUND BALANCE</b>          |                      |                      |                    |                           |                           |
| Committed   | \$129,463            | \$165,518            | \$184,404          |                           |                           |
| Assigned  | 229,000              | 519,488              | 428,835            |                           |                           |
| Unassigned  | 4,984,889            | 4,927,832            | 4,435,348          |                           |                           |
| <b>Total</b>  | <b>\$5,343,352</b>   | <b>\$5,612,838</b>   | <b>\$5,048,587</b> |                           |                           |

1) The 2021 revised budget was adopted on 9/15/21.

2) The 2022 budget was adopted on 9/15/21.

## GENERAL INFORMATION

### LOCATION

The City of Mission, with a 2010 U.S. Census population of 9,323, a current estimated population of 9,523, and comprising an area of 3 square miles, is located in northeastern Johnson County, Kansas, a suburban part of the Kansas City metropolitan area

### LARGER EMPLOYERS<sup>1</sup>

Larger employers within the City include the following:

| <b>Firm</b>             | <b>Type of Business/Product</b>         | <b>No. of Employees</b> |
|-------------------------|---|-------------------------|
| VinSolutions            | Automotive software solutions           | 466                     |
| ScriptPro               | Pharmaceutical automation and robotics  | 428                     |
| Hy-Vee                  | Grocery store                           | 364                     |
| AT&T Telecommunications | Telecommunication provider              | 229                     |
| Data Migration Services | Data conversion and consulting services | 200                     |
| City of Mission         | Municipal government and services       | 172                     |
| US Post Office          | Postal service                          | 112                     |
| Target                  | Retail                                  | 92                      |
| Skillpath, Inc          | Training consultants                    | 91                      |
| Packaging Products Corp | Packaging and labeling services         | 90                      |

**Source:** *The City of Mission (September 2021), and the Kansas Department of Employment and Economic Development.*

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<sup>1</sup> This does not purport to be a comprehensive list and is based on available data obtained through a survey of individual employers, as well as the sources identified above. Some employers do not respond to inquiries for employment data. Estimates provided are accurate as of the date noted and may not reflect changes in the number of employees resulting from the current COVID-19 pandemic. (See "Risk Factors - Impact of the Spread of COVID-19").

## BUILDING PERMITS

|  | 2017         | 2018         | 2019         | 2020         | 2021 <sup>1</sup> |
|--|--------------|--------------|--------------|--------------|-------------------|
| <u>New Single Family Homes</u>                                       |              |              |              |              |                   |
| No. of building permits  | 1            | 2            | 3            | 1            | 0                 |
| Valuation  | \$250,000    | \$588,980    | \$680,000    | \$200,000    | \$0               |
| <u>New Multiple Family Buildings</u>                                 |              |              |              |              |                   |
| No. of building permits  | 0            | 2            | 0            | 0            | 0                 |
| Valuation  | \$0          | \$53,956,390 | \$0          | \$0          | \$0               |
| <u>New Commercial/Industrial</u>                                     |              |              |              |              |                   |
| No. of building permits  | 79           | 74           | 60           | 36           | 53                |
| Valuation  | \$14,908,386 | \$7,319,007  | \$17,224,004 | \$17,224,004 | \$7,210,947       |
| <u>All Building Permits</u><br>(including additions and remodelings) |              |              |              |              |                   |
| No. of building permits  | 412          | 351          | 406          | 334          | 283               |
| Valuation  | \$17,455,711 | \$64,814,264 | \$21,059,036 | \$10,933,826 | \$10,880,519      |

**Source:** The City.

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<sup>1</sup> As of September 24, 2021.

## U.S. CENSUS DATA

### Population Trend: The City

|                                  |        |
|----------------------------------|--------|
| 2000 U.S. Census                 | 9,528  |
| 2010 U.S. Census                 | 9,323  |
| 2019 Current Population Estimate | 9,523  |
| Percent of Change 2000 - 2010    | -2.15% |

### Income and Age Statistics

|  | <b>The City</b> | <b>Johnson County</b> | <b>State of Kansas</b> | <b>United States</b> |
|--|-----------------|-----------------------|------------------------|----------------------|
| 2019 per capita income                 | \$38,172        | \$46,517              | \$31,814               | \$32,621             |
| 2019 median household income           | \$61,144        | \$89,087              | \$59,597               | \$60,293             |
| 2019 median family income              | \$81,111        | \$109,437             | \$75,976               | \$73,965             |
| 2019 median gross rent                 | \$984           | \$1,109               | \$850                  | \$1,023              |
| 2019 median value owner-occupied units | \$179,700       | \$259,600             | \$151,900              | \$204,900            |
| 2019 median age                        | 34.9 yrs.       | 37.6 yrs.             | 36.7 yrs.              | 37.9 yrs.            |

|                                     | <b>State of Kansas</b> | <b>United States</b> |
|-------------------------------------|------------------------|----------------------|
| City % of 2018 per capita income    | 119.98%                | 117.02%              |
| City % of 2018 median family income | 106.76%                | 109.66%              |

### Housing Statistics

|                   | <b><u>The City</u></b> |             |                          |
|-------------------|------------------------|-------------|--------------------------|
|                   | <b>2010</b>            | <b>2019</b> | <b>Percent of Change</b> |
| All Housing Units | 5,289                  | 5,477       | 3.55%                    |

**Source:** 2000 and 2010 Census of Population and Housing, and 2017 American Community Survey (Based on a five-year estimate), U.S. Census Bureau ([www.factfinder2.census.gov](http://www.factfinder2.census.gov)).

## EMPLOYMENT/UNEMPLOYMENT DATA

Rates are not compiled for individual communities within counties.

| <b>Year</b>  | <b><u>Average Employment</u></b> | <b><u>Average Unemployment</u></b> |                        |
|--------------|----------------------------------|------------------------------------|------------------------|
|              | <b>Johnson County</b>            | <b>Johnson County</b>              | <b>State of Kansas</b> |
| 2017         | 324,297                          | 3.0%                               | 3.6%                   |
| 2018         | 327,350                          | 2.8%                               | 3.3%                   |
| 2019         | 331,451                          | 2.8%                               | 3.2%                   |
| 2020         | 324,544                          | 5.1%                               | 5.9%                   |
| 2021, August | 340,096                          | 3.4%                               | 4.0%                   |

**Source:** Kansas Department of Labor (<http://klic.dol.ks.gov>).

### **FINANCIAL STATEMENTS**

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the City's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The City has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessments, procedures or evaluation with respect to such financial statements since the date thereof or with respect to this Preliminary Official Statement, nor has the City requested that the Auditor consent to the use of such financial statements in this Preliminary Official Statement. Although the inclusion of the financial statements in this Preliminary Official Statement is not intended to demonstrate the fiscal condition of the City since the date of the financial statements, in connection with the issuance of the Bonds, the City represents that there have been no material adverse change in the financial position or results of operations of the City, nor has the City incurred any material liabilities, which would make such financial statements misleading.

Copies of the complete audited financial statements for the past three years and the current budget are available upon request from Ehlers.



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED  
December 31, 2020



Prepared by:

FINANCE AND ADMINISTRATION DEPARTMENT



CITY OF MISSION, KANSAS  
COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
Year Ended December 31, 2020

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April 26, 2021

To the Citizens of Mission, Kansas

The City of Mission is pleased to submit the comprehensive annual financial report for the fiscal year ending December 31, 2020. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

This report includes all funds of the City. The City provides a range of services including police protection, trash services, construction and maintenance of streets and infrastructure, and recreational and cultural activities. Except for Rock Creek Drainage District #1 and Rock Creek Drainage District #2, there are no other entities over which the City exercises financial accountability.

Management's discussion and analysis immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. Management's discussion and analysis complements this letter of transmittal and should be read in conjunction with it.

## COMMUNITY PROFILE

Mission is located in northeastern Johnson County, Kansas, a suburban area of the Kansas City metropolitan area. The City lies adjacent to a major transportation corridor, Interstate 35, and is accessible to the entire metropolitan area. The City has a population of approximately 9,490 (2016 5-Year Census Estimate), and covers an area of 2.7 square miles, of which nearly 100% is developed.

Mission was incorporated in 1951 and became a City of the Second Class under Kansas statutes in 1959.

The City operates under a non-partisan Council/Mayor form of government. The Council is comprised of eight members elected from four wards, with equal representation from each ward. Each councilmember representing a ward is elected, on a staggered basis, for a four-year term. The Mayor is elected at large for a four-year term. The Mayor and Council are responsible for all policy-making functions of the City.

The City Administrator is appointed by the Mayor and Council and serves as the chief administrative officer of the City. The City Administrator is responsible for the implementation of policies adopted by the Council and is also responsible for the general operations of the City.

The City has five operating departments including Police, Public Works, Parks + Recreation, Community Development and Administration. The City has a total of 74 full-time employees. Other services including fire protection, water distribution, waste water collection, and education are provided by separate entities.

Mission has traditionally been viewed as a bedroom community with a small-town atmosphere, convenient services, and a family friendly environment. Residents enjoy an excellent standard of living as a result of the active community spirit, an award-winning school system, low crime rates and high-quality service delivery. The governing body proactively addresses quality of life issues to ensure that the current standard of living is not only maintained, but ultimately enhanced.

### **ECONOMIC CONDITION AND OUTLOOK**

The business environment within the Mission provides a good balance between retailers, professional services, and corporations in a variety of industries including adult education, pharmaceutical, software development and advertising.

Since the 1930s, the Johnson Drive corridor, which bisects the city from east to west, has served as the retail trade area for Northeast Johnson County. Various national and local retailers, businesses, professional services, boutique shops and dining and drinking establishments are located along the corridor. In addition, the city offers a full-service grocery store and a national, big-box retailer.

Mission has numerous small to medium-sized office buildings for professional service providers, including doctors and dentists, veterinarians, lawyers, and architects. Financial services, such as insurance companies, banks, and accountants are also well represented among the city's businesses. There are several, medium to larger office buildings located primarily on the west side of Mission that provide office space for various corporations.

Mission is also adjacent to the major transportation corridors of Johnson Drive, Shawnee Mission Parkway and Interstate 35.

The City Council works to meet the needs of existing businesses, while simultaneously dedicating resources to attract new businesses. Property and sales tax revenues generated by the business community are vital to the City's financial stability. The City's property mill levy remains one of the lowest in Johnson County and in the State of Kansas.

### **MAJOR CITY INITIATIVES**

Mission has been recognized throughout the Kansas City metropolitan area, and the larger mid-west region, for its forward thinking visioning and planning processes. A comprehensive plan and several master plans that were adopted prior to the recession have set the foundation for innovative redevelopment projects that have come to fruition in the past few years. An update of the City's comprehensive plan was initiated in 2020 with final recommendations expected to be approved in the fall of 2021.

The Locale, a five-story luxury apartment building which offers an array of amenities for its residents was completed in the spring of 2020. In addition to the living options, the project includes space for a restaurant on the ground floor and a four-level, secure parking structure. The Locale anchors Johnson Drive at the western edge of the downtown district, and another luxury apartment development approved in late 2020 on the site of the former Mission Bowl bowling alley will balance out the eastern edge of the downtown district. Both residential projects will build upon the City's efforts to revitalize the Johnson Drive corridor in the downtown district, which started with the \$10.5 million reconstruction of Johnson Drive in 2014.

In addition to adding a residential project to the eastern portion of the commercial corridor, incentives were negotiated for the Mission Bowl project in exchange for the development meeting important affordable housing and sustainability goals established by the Governing Body.

In the past five years the City has undertaken a number of significant projects including:

- Reconstruction of Foxridge Drive from 51st to 56th Street in 2018 including sidewalks, streetlights, and stormwater infrastructure.
- Reconstruction of Broadmoor from Johnson Drive to Matway in 2019 including and new sidewalks, street lighting, and a new traffic signal at Broadmoor and Johnson Drive
- Resurfacing of Lamar Avenue in 2020 including curbs, storm sewer improvements, and bike lane.

Seven mills from the City's overall property tax rate are dedicated to funding street projects such as these. These dedicated local funds leverage federal funding and/or county funding to help in paying for these vital street maintenance projects.

The City issued \$4.2 million in general obligation bonds in the summer of 2019 for the reconstruction of the Rock Creek storm water channel from Roeland Drive to Nail Avenue. Actual construction began in earnest in the spring of 2020 and consisted of earthwork and building up the embankments with a concrete block wall. The entire project is estimated to cost \$4.8 million and is being funded through the Storm Water Utility Fund.

The voters of Mission approved a 3/8 cent sales tax in 2013 for parks and recreation. This dedicated sales tax has been used to pay debt service on general obligation bonds that were issued for the renovation of the City's outdoor aquatic center. The sales tax also provides an important revenue stream for continued maintenance and improvement of recreation facilities as well funding for recommendations identified in the City's 2015 Parks Master Plan.

The City undertook a major branding initiative in 2020 resulting in a new logo for the City. The brand initiative resulted in updated marketing collateral, new decals for City vehicles, and updated street banners for the downtown district. This initiative continued into early 2021 with the launch of a new City website. However, the branding initiative includes much more than a new logo; it has set the foundation for a new communication strategy with unified messaging delivered through a single brand platform.

The City continues to promote organizational efficiency and effectiveness through technology upgrades, management of a classification and compensation system, and on-going evaluation of employee benefits. Significant upgrades to the City's technology infrastructure were completed in early 2019 including network cabling upgrades and a new primary data closet, replacement of the City-wide phone system, and installation of a new surveillance camera system. Nearly a third of the City's computer inventory was replaced in 2019 as well. Another significant replacement of computer equipment occurred again in 2020, and the City also purchased a new municipal court case management software.

Mission has accomplished a great deal in just the past year, but it must be noted that these accomplishments were done against the backdrop of the COVID-19 pandemic and the resulting business closures/restrictions, mask mandates, and other actions initiated at the state, county and local level to mitigate the spread of the virus. The City closed all of its facilities for nearly three months in compliance with orders issued by the Governor and the Board of County Commissioners. Mission's Powell Community Center remained closed until early June, and has subsequently reopened on a limited basis. The outdoor aquatic center did not open for the 2020 summer swim season, and the summer camp sessions were canceled. These measures resulted in significant revenue losses in these program areas for 2020.

The City also undertook a number of steps to protect staff once City facilities were opened, including shields around open desks, mask wearing policies, limited in person activities, and transitioning to virtual meetings. The City used funds from the Coronavirus Aid, Relief, and Economic Security (CARES) Act that were distributed through Johnson County to pay for a number of improvements to City facilities to aid in COVID-19 mitigation including filtration systems for facility air handling systems, Clorox sprayers, touchless restroom fixtures, and laptop computers for remote work. The City will continue to monitor and navigate the COVID-19 pandemic situation in 2021.

#### **FUTURE INITIATIVES**

Mission continues to explore new and diverse ways to support redevelopment efforts throughout the community. Our work focuses on ensuring redevelopment that results in high quality, sustainable projects benefiting not only Mission but the entire region. Mission supports efforts for long-range, comprehensive capital infrastructure planning and budgeting; while refining strategies for the on-going maintenance, repair and replacement of our current infrastructure assets.

The City will continue the work started in 2020 to update the comprehensive land use plan. This will include a citizen satisfaction survey, which the City uses periodically to gauge citizen satisfaction with services and programs, quality of life, and future priorities and initiatives. It is expected that that the update to the plan will be completed in late summer of 2021.

The City continues to evaluate Parks + Recreation services to develop sustainable operating plans for the Community Center, the outdoor aquatic center, and the 30+ acres of parks and recreation facilities maintained for the benefit of Mission residents and visitors. City staff will continue to work with the City's Parks, Recreation + Tree Commission and various neighborhood and other stakeholder groups to plan and implement recommendations for improvements to the outdoor park system. Funding for these initiatives will come primarily from the 3/8 Cent Parks and Recreation Sales Tax, which is due to sunset in 2023. The City is also actively seeking other grant funding opportunities to assist in funding park improvements.

The Public Works Department will continue with its infrastructure condition assessment work. The primary task will be prioritizing road and storm water projects for the next five to ten years. Future transportation infrastructure needs are being addressed through a dedication of 7 mills in property tax, proceeds from the ¼ Cent Street Sales Tax (sunsets in 2022), and revenues from the Special Highway distributions. The City plans to seek voter approval in 2021 for reauthorization of the dedicated street sales tax for an additional 10 years.

The Police Department remains committed to improving the level of service to the community. Continued emphasis on traffic safety and enforcement contributes to the overall safety of both residents and visitors alike. The Mission Police Department also maintains a focus on training, keeping personnel abreast of a variety of professional trends and development opportunities. Continued investment in community relations and a commitment to expanding data collection efforts are top priorities for the Department over the next several years.

#### **FINANCIAL INFORMATION**

City management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of the control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

#### **BUDGETARY CONTROLS**

The City maintains various budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. Activities of the General Fund, Special Revenue Funds, and Debt Service Funds are included in the annual appropriated budget. The legal level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is at the fund level. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts do not lapse at year-end. However, unencumbered appropriations do lapse. As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

#### **OTHER INFORMATION**

Independent Audit

Kansas statutes require an annual audit of the City's financial statements. The audit for 2020 was conducted by BT&Co., P.A. Certified Public Accountants and their report on the financial statements is included in the financial section of this report.

## Reporting Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ending December 31, 2019. This is the twenty-seventh consecutive year the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

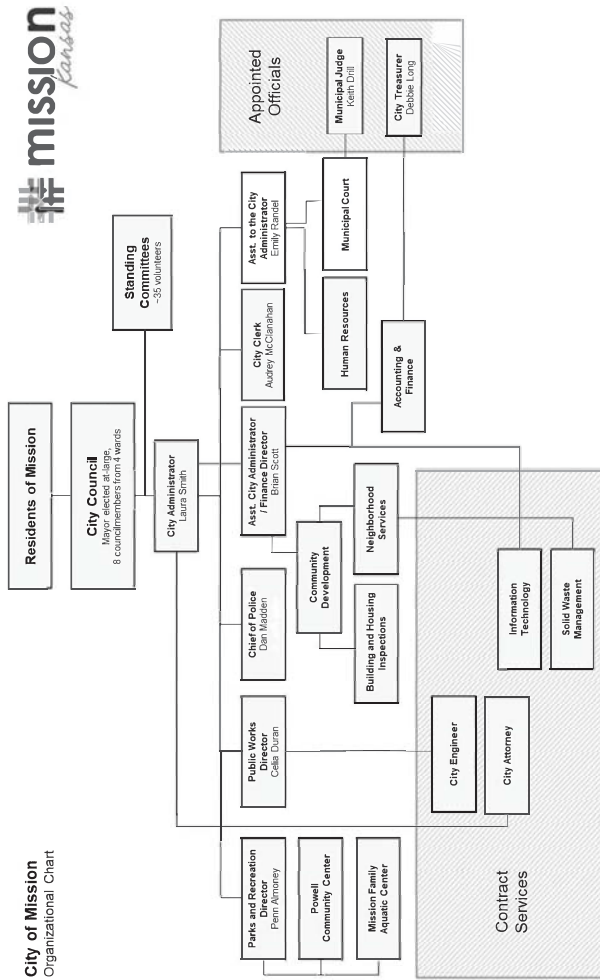
## ACKNOWLEDGEMENTS

The preparation of this comprehensive annual financial report was made possible by the dedicated services of the staff of the Finance and Administration, Community Development, Police, Municipal Court and Parks and Recreation departments. Our sincere appreciation is extended to all members of the staff, whose efforts made this report possible, with specific recognition provided for the work completed by Accounting Manager Debbie Long, Accountant Joanna Marin, and Assistant City Administrator/Finance Director Brian Scott.

Respectfully submitted,

*Laura M. Smith*

Laura Smith  
City Administrator



CITY OF MISSION, KANSAS  
PRINCIPAL OFFICIALS – 2020

*Mayor and City Council*

|                                      |        |
|--------------------------------------|--------|
| Honorable Ronald E. Appletoft, Mayor | Ward 1 |
| Honorable Trent Boultinghouse        | Ward 1 |
| Honorable Hillary Parker Thomas      | Ward 2 |
| Honorable Nick Schlossmacher         | Ward 2 |
| Honorable Arcie Rothrock             | Ward 3 |
| Honorable Kristin Inman              | Ward 3 |
| Honorable Debbie Kring               | Ward 4 |
| Honorable Ken Davis                  | Ward 4 |
| Honorable Sollie Flora               | Ward 4 |

*Administration*

City Administrator: Laura Smith  
Assistant City Administrator/Finance Director: Brian Scott  
Assistant to the City Administrator: Emily Randel  
City Clerk: Audrey McClanahan  
Treasurer: Deborah Long  
Chief of Police: Daniel Madden  
Public Works Director: Celia Duran  
Parks + Recreation Director: Penn Almonee

*Attorney*

David K. Martin



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Mission  
Kansas**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

December 31, 2019

*Christopher P. Morrell*

Executive Director/CEO





## INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and City Council  
City of Mission, Kansas

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Mission, Kansas (the City), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2020, and the respective changes in financial position and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

April 26, 2021  
Topeka, Kansas

BT & Co., P.A.

CITY OF MISSION, KANSAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year ended December 31, 2020

Our discussion and analysis of the City of Mission, Kansas financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2020. This narrative should be read in conjunction with the City's letter of transmittal, which begins on page i.

**Financial Highlights**

- The government-wide net position totaled \$59.2 million at the end of the 2020 fiscal year.
- Total capital assets, net of accumulated depreciation at December 31, 2020 totaled \$67.8 million.
- During the year ended December 31, 2020, the City's total revenues (which included charges for services, local taxes and state and federal aid) for all funds exceeded total expenses by \$2.94 million.
- The City's total general obligation bond indebtedness decreased by \$3.5 million.
- The City's net capital assets increased by \$4.2 million in the current fiscal year. Depreciation in assets was offset by new infrastructure construction (Rock Creek storm water channel reconstruction and Lamar Avenue repaving) and new equipment (new dump truck and pick-up truck for public works, new patrol cars for police, and new technology equipment city-wide).

**Using This Financial Report**

This annual report consists of government-wide and fund financial statements. In addition, the annual report includes budgetary-basis financial statement comparisons, in accordance with the State of Kansas cash basis and budget laws.

The government-wide statements are designed to provide information about the City's activities as a whole and provide a longer term view of the City's finances. The fund financial statements tell how the City's governmental activities were financed in the short term, as well as what remains for future spending. Fund financial statements report the City's operations in greater detail than the government-wide statements by providing information about the City's most significant funds. In addition, combining statements included in the supplemental information show detail of all other governmental funds. The City also holds fiduciary funds on behalf of various parties. These funds are reported in a separate statement.

**Reporting on the City as a Whole (Government-Wide)**

The view of the City as a whole looks at all financial transactions and asks the question, "Are we in better financial position as a result of the current year's financial activities?" The Statement of Net Position and the Statement of Activities provide the basis for answering this question. The statements include all assets and all liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses, regardless of when cash is received or paid.

These two statements report the City's net position and current year change in net position. The change in net position is important because it tells the reader whether the City, as a whole, has improved or diminished its financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. Causes of these changes may be the result of many factors, some financial, some not. Non-financial factors include the City's property tax base, state mandates, the economy, and even world-wide health catastrophes such as the COVID-19 pandemic.

In the Statement of Net Position and the Statement of Activities, the City has one kind of activity – Governmental Activity. All of the City's programs and services are reported here including general governmental, public safety, public works and culture and recreation.

Government-Wide Position

The Statement of Net Position provides the financial position of the City as a whole. The City's overall financial position increased by 5% in 2020. An increase in capital assets due to construction projects and a reduction in both current and non-current liabilities helped to increase the net position. The following is a summary of the City statement of net position as of December 31, 2020 and 2019.

|   | City of Mission<br>Condensed Statement of Net Position |               |
|---|--|---------------|
|   | 2020   | 2019          |
| <b>Governmental Activities</b>                      |  |               |
| Current assets                                      | \$ 23,953,040  | \$ 28,643,452 |
| Net capital assets                                  | 67,843,282   | 63,684,008    |
| Total assets  | 91,796,322   | 92,327,460    |
| Deferred outflows of resources                      | 2,044,101  | 977,024       |
| Total assets and deferred outflows of resources     | \$ 93,840,423  | \$ 93,304,484 |
| Current liabilities                                 | \$ 1,059,998   | \$ 1,909,053  |
| Noncurrent liabilities                              | 29,307,977   | 31,037,565    |
| Total liabilities                                   | 30,367,975   | 32,946,618    |
| Deferred inflows of resources                       | 4,269,227  | 4,092,032     |
| Total liabilities and deferred inflows of resources | \$ 34,637,202  | \$ 37,038,650 |
| Net position:                                       |  |               |
| Net investment in capital assets                    | \$ 46,718,202  | \$ 40,320,221 |
| Restricted  | 787,919  | 675,915       |
| Unrestricted  | 11,697,100   | 15,269,698    |
| Total net position                                  | \$ 59,203,221  | \$ 56,265,834 |

The assets of the City are classified as current assets and capital assets. Cash and investments and accounts receivable are the largest current assets. These are assets that are available to provide resources for the near-term operations of the City. Capital assets are used in the operations of the City as well, but on a long-term basis. These assets include land, buildings and improvements, infrastructure (including construction in progress), and machinery and equipment.



Current and non-current liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued liabilities, interest payable, municipal court bonds payable, and unearned revenue.

The City has \$21 million in long-term debt, consisting of general obligation bonds, capital leases, and a loan from the Kansas Department of Health and Environment (KDHE). \$4.3 million of the total debt amount is due within the next fiscal year.

The City had total assets and deferred outflows of resources as of December 31, 2020 totaling \$93.8 million. The total assets and deferred outflows of resources of the City exceeds the total liabilities and deferred inflows of resources by \$59.2 million. The net position invested in capital assets (net of related debt) totaled \$46.7 million, restricted net position totaled \$787,919 and unrestricted net position totaled \$11.7 million.

#### Government-Wide Activities

The following is a condensed statement of the City's change in net position for the year ended December 31, 2020. Major items of program revenues, grants and general revenues are detailed. Government-wide activities increased the net position of the City by approximately \$2.94 million for the year ended December 31, 2020. A reconciliation of the total change in fund balances for the governmental funds to change in net position of governmental activities in the Statement of Activities is located on page 17 of the basic financial statements. A major difference between the changes is the outlay of \$6.8 million in capital expenses. The two biggest projects were the reconstruction of the Rock Creek storm water channel and resurfacing of Lamar Avenue. These projects are reported in the governmental funds as expenditures, but in the Statement of Net Position they are shown as a depreciation expense that is allocated over their useful lives. The City also issued \$6.0 million in G.O. refunding bonds in 2020. Proceeds from the issuance were used to pay-off the 2010B Series G.O. Bonds saving the city nearly \$800,000 in interest. This action, in conjunction with other repayment of long-term debt, reduced the liabilities in the Statement of Net Position.

#### Condensed Statement of Activities For the Years Ended December 31, 2020 and 2019

|                                    | Governmental Activities |               |
|------------------------------------|-------------------------|---------------|
|                                    | 2020                    | 2019          |
| Revenues:                          |                         |               |
| Program revenues:                  |                         |               |
| Charges for service                | \$ 4,737,944            | \$ 6,492,445  |
| Operating grants and contributions | 1,521,085               | 1,013,317     |
| General revenues:                  |                         |               |
| Property taxes                     | 2,954,509               | 3,058,427     |
| Motor vehicle tax                  | 237,105                 | 241,875       |
| Sales tax                          | 7,173,991               | 6,961,735     |
| Transient guest tax                | 58,192                  | 51,270        |
| Franchise tax                      | 1,011,085               | 1,024,697     |
| Investment earnings                | 35,790                  | 221,980       |
| Miscellaneous                      | 378,069                 | 162,000       |
| Gain on sale of capital assets     | 91,635                  | 44,807        |
| Total revenues                     | 18,199,405              | 19,272,553    |
| Program expenses:                  |                         |               |
| General government                 | 3,455,429               | 3,472,222     |
| Public safety                      | 4,484,731               | 4,351,828     |
| Public works                       | 3,959,532               | 3,981,986     |
| Culture and recreation             | 2,710,090               | 3,295,074     |
| Interest on long-term debt         | 652,236                 | 673,385       |
| Total expenses                     | 15,262,018              | 15,774,495    |
| Increase in net position           | 2,937,387               | 3,498,058     |
| Net position - beginning           | 56,265,834              | 52,767,776    |
| Net position - ending              | \$ 59,203,221           | \$ 56,265,834 |

#### **Reporting the City's Most Significant Funds (Fund Financial Statements)**

The City uses many funds to account for a multitude of financial transactions. The fund financial statements focus on the City's most significant funds. Combining fund balance sheets and statement of revenues, expenditures and changes in fund balances provide detailed information about all of the City's major and non-major governmental funds.

All of the City's activities are reported in the governmental funds, which focus on how money flows into and out of the funds and how balances left over at fiscal year-end are available to be spent in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general operations and the basic services it provides. Governmental fund information helps the reader to decide whether there are more or fewer financial resources that can be spent in the near term to finance the City's programs. Major differences between the City's governmental activities as reported in the statement of net position and the statement of activities and its governmental funds are reconciled in the governmental funds financial statements.

Fund balances at December 31, 2020 for all governmental funds totaled \$10.3 million. This was a decrease of 29% from the prior year and almost entirely attributable to the reconstruction of the Rock Creek storm channel between Roeland Drive and Nall Avenue. The project was primarily funded from a G.O. Bond issued in 2019, with the majority of the proceeds being spent in fiscal year 2020. Total unassigned fund balances for all governmental funds at December 31, 2020 was \$4.2 million, mostly attributable to the General Fund.

The General Fund is the chief operating fund of the City. At the end of the 2020 fiscal year, total fund balance in the General Fund was \$5 million, of which \$4.4 million was unassigned. Audited numbers for the 2020 fiscal year show a decrease in the total fund balance for the General Fund of \$564,251 or nearly 10% from the previous year. While General Fund revenues did exceed expenditures for fiscal year 2020, a transfer out of \$1.1 million to the Capital Improvement Fund impacted the overall fund balance. The transfer represents a commitment made by the City to fund road improvements with an amount equal to seven mills of the overall property tax rate for the City. Normally, revenues alone would cover this transfer, but reduced revenue receipts in a variety of other revenue categories in 2020 required using unassigned fund balance to make-up the difference. Reduced revenue receipts occurred primarily in the Charges for Services category, which include revenues from the City's Powell Community Center and outdoor aquatic center.

Due to the restrictions that resulted from the COVID-19 pandemic, the Powell Community Center was closed for nearly three months, and the outdoor aquatic center never opened for the summer. In addition, the City did not hold its summer camp program in 2020, which is historically a significant revenue generator. These events resulted in a net difference (deficit) between the budgeted and actual revenue of \$1.4 million for this category alone. The overall impact of revenue declines was mitigated in part by expenditure savings realized in personnel and commodities line items.

The Parks and Recreation Sales Tax Fund is used to account for revenues received from a dedicated three-eighths of one percent sales tax for parks and recreation. A portion of the revenues is pledged to retire the 2013B Series G.O. Bonds issued for renovation of the outdoor aquatic center. The balance is dedicated to other parks and recreation expenses, both capital and operating. The ending fund balance was \$1.3 million at December 31, 2020.

The Street Sales Tax Fund is used to account for revenues received from a dedicated one-quarter of one percent sales tax for street reconstruction. Most of the revenues are pledged to retire 2012A Series G.O. Bonds issued for the Marway and Johnson Drive improvements. The balance of the revenue is utilized for ongoing street maintenance projects. The ending fund balance was \$500,753 at December 31, 2020. The sales tax is set to sunset in March of 2022. The fund balance will be used to make the last bond payment in September of 2022, if the sales tax is not renewed.

The Stormwater Fund is used to account for stormwater fees assessed on all property in the City. The assessment is a factor of an equivalent residential unit (ERU), single-family homes paying one ERU and larger properties paying a multiple of ERUs based on the amount of impervious surface. The ending fund balance was \$1.84 million as of December 31, 2020. The decrease in the fund balance was primarily due to the use of proceeds from the 2019A Series G.O. Bonds to pay for reconstruction of the Rock Creek storm channel in fiscal year 2020.

The Solid Waste Fund is used to account for a solid waste fee assessed on all residential properties in the City to pay for solid waste collection. The ending fund balance was (\$23,295) as of [LSI] December 31, 2020. This deficit is partly attributable to the fact that fees have not been increased in a few years, but costs with a new contract have increased. And, it is partly attributable to modified accrual accounting, which recognizes property taxes (including assessments) when imposed and not necessarily when actually received. Property taxes imposed in the 2019 tax year are recognized in the 2019 fiscal year. Thus any increase in fees, would not be immediately recognized. The City did raise the solid waste by 5% for the 2021 fiscal year.

The Capital Improvement Fund accounts for resources used to construct and maintain infrastructure in the City. Revenue is primarily derived from an allocation of seven mills of the City's overall property tax rate of 17 mills that is collected with the General Fund property taxes. This seven mills is transferred from the General Fund to the Capital Improvement Fund each fiscal year. A portion of this revenue is dedicated toward the debt service for the 2013 Series G.O. Bonds for Johnson Drive improvements. The balance is used for street improvements budgeted each year. In fiscal year 2020, the City spent \$1.3 million for the repaving of Lamar Avenue (a major north/south thoroughfare) from Shawnee Mission Parkway to Foxridge Drive. The City received a reimbursement for a portion of the project cost through the Johnson County Assistance Road System (CARS) and from a Safe-Routes to School Grant provided through the Federal Highway Administration. As of December 31, 2020 the fund had an ending fund balance of \$1.2 million.

#### Reporting on the General Fund Budget

The City's budget is prepared in accordance with the Kansas Budget Law and is based primarily on cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

Property Tax was \$41,000 above budget and Sales Tax was \$148,800 above budget for 2020. Northeast Johnson County has maintained a very strong housing market over the past few years, which has led to higher assessed values for residential property. In addition, while many cities suffered a loss in sales tax revenue due to the shutdown that resulted from the COVID-19 pandemic, Mission's two primary retailers - a Hy-Vee Grocery store and a Target store - were considered to be essential businesses and allowed to remain open.

Total General Fund revenues and other financing sources were less than budget by \$1.5 million. Revenues for Charges and Services was \$1.4 million under budget. This was almost entirely due to Parks and Recreation revenues, which experienced heavy losses in changes for services and programs as a result of the COVID-19 pandemic. Actual revenue realized for Licenses and Permits were less than budgeted by \$3,369. Revenue for Fines and Fees were nearly \$600,000 less than budgeted, again due to reduced traffic tickets being issued as a result of the COVID-19 pandemic. Proceeds from the lease-purchase of new police patrol cars helped to offset these losses in the Statement of Revenues, Expenditures, and Changes in Fund Balance.

#### Reporting on Capital Assets and Debt Administration

The City's capital assets totaled \$67.8 million (net of accumulated depreciation) as of December 31, 2020. This was an increase of \$4.2 million, or 7%, over fiscal year 2019. The most significant capital asset related undertaking was the reconstruction of the Rock Creek storm water channel from Roeland Court to Nall Avenue. This project entailed grading around the channel and construction of ten foot, or taller, concrete block walls that prevent further erosion and more efficiently direct the storm water through this portion of the channel. Resurfacing of Lamar Avenue, a two mile stretch from Shawnee Mission Parkway to Foxridge Drive, was another significant capital project in 2020. This project entailed UBAS resurfacing of the roadway with a thin layer of asphalt, as well as curb and gutter work, storm water repairs, and sidewalks repairs as needed. Once completed, the entire roadway was restriped to include a bike lane.

The Police Department purchased six new patrol vehicles through a lease-purchase agreement. This purchase also included mobile data terminals and video equipment as well as body cameras. The Public Works Department purchased a new single-axle dump truck, ¾ ton pick-up, and skid-steer with attachments.

Many of the major road and storm water channel projects are financed through long-term debt. As of December 31, 2020 the City had a total general obligation bond principal debt outstanding of \$19.6 million, backed by the full faith and credit of the City. Total long-term debt decreased for the fiscal year ended December 31, 2020 by \$3.5 million.

### Contacting the City

This financial report is designed to provide a general overview of the City's finances. If you have questions about this report or need additional financial information, please contact the City's Administration Department at 6090 Woodson, Mission, Kansas 66202.

## CITY OF MISSION, KANSAS STATEMENT OF NET POSITION December 31, 2020

|                                       | Total Governmental<br>Activities |
|---------------------------------------|----------------------------------|
| <b>ASSETS</b>                         |                                  |
| Cash and investments                  | \$ 9,466,311                     |
| Restricted cash and investments       | 36,121                           |
| Receivables                           | 13,959,975                       |
| Land held for resale                  | 100,000                          |
| Notes receivable                      | 390,633                          |
| Capital assets:                       |                                  |
| Capital assets not being depreciated: |                                  |
| Land                                  | 9,338,256                        |
| Construction in progress              | 4,229,221                        |
| Capital assets being depreciated      | 80,359,503                       |
| Less: accumulated depreciation        | (26,083,698)                     |
| Total assets                          | 91,796,322                       |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b> |                                  |
| Deferred outflows - OPEB              | 63,005                           |
| Deferred outflows - pensions          | 1,981,096                        |
| Total deferred outflows of resources  | 2,044,101                        |
| <b>LIABILITIES</b>                    |                                  |
| Accounts payable                      | 584,928                          |
| Accrued liabilities                   | 195,525                          |
| Interest payable                      | 215,024                          |
| Municipal court bonds payable         | 36,121                           |
| Unearned revenue                      | 28,400                           |
| Noncurrent liabilities:               |                                  |
| Due within one year                   | 4,256,299                        |
| Due in more than one year             | 25,051,678                       |
| Total liabilities                     | 30,367,975                       |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                                  |
| Deferred inflows - property tax       | 3,389,782                        |
| Deferred inflows - OPEB               | 698,251                          |
| Deferred inflows - pensions           | 181,194                          |
| Total deferred inflows of resources   | 4,269,227                        |
| <b>NET POSITION</b>                   |                                  |
| Net investment in capital assets      | 46,718,202                       |
| Restricted for:                       |                                  |
| Alcohol awareness programs            | 110,197                          |
| Convention and tourism                | 63,087                           |
| Culture and recreation                | 106,365                          |
| Donations                             | 48,771                           |
| Education                             | 18,163                           |
| Public safety                         | 18,038                           |
| Public works                          | 423,298                          |
| Unrestricted                          | 11,697,100                       |
| Total net position                    | \$ 59,203,221                    |

See accompanying notes to basic financial statements.

CITY OF MISSION, KANSAS  
STATEMENT OF ACTIVITIES  
Year Ended December 31, 2020

|                                | Program Revenues |                         |  | Net Revenue<br>(Expense) and<br>Changes in Net<br>Position |
|--------------------------------|------------------|-------------------------|--|--|
|                                | Expenses         | Charges<br>for Services | Operating<br>Grants and<br>Contributions | Total<br>Governmental<br>Activities                        |
| Governmental activities:       |                  |                         |  |  |
| General government             | \$ 3,455,429     | \$ 680,746              | \$ 15,038                                | \$ (2,759,645)   |
| Public safety                  | 4,484,731        | 880,172                 | 382,524                                  | (3,222,035)  |
| Public works                   | 3,959,532        | 2,519,498               | 1,123,523                                | (316,511)  |
| Culture and recreation         | 2,710,090        | 657,528                 | -  | (2,052,562)  |
| Interest on long-term debt     | 652,236          | -                       | -  | (652,236)  |
| Total governmental activities  | \$ 15,262,018    | \$ 4,737,944            | \$ 1,521,085                             | (9,002,989)  |
| General revenues:              |                  |                         |  |  |
| Property tax                   |                  |                         |  | 2,954,509  |
| Motor vehicle tax              |                  |                         |  | 237,105  |
| Sales tax                      |                  |                         |  | 7,173,991  |
| Transient guest tax            |                  |                         |  | 58,192   |
| Franchise tax                  |                  |                         |  | 1,011,085  |
| Investment earnings            |                  |                         |  | 35,790   |
| Miscellaneous                  |                  |                         |  | 378,069  |
| Gain on sale of capital assets |                  |                         |  | 91,635   |
| Total general revenues         |                  |                         |  | 11,940,376   |
| Change in net position         |                  |                         |  | 2,937,387  |
| Net position, beginning        |                  |                         |  | 56,265,834   |
| Net position, ending           |                  |                         |  | \$ 59,203,221  |

CITY OF MISSION, KANSAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2020

|   | General      | Parks and<br>Recreation<br>Sales Tax | Street<br>Sales Tax | Stormwater    |
|---|--------------|--------------------------------------|---------------------|---------------|
| Assets:   |              |                                      |                     |               |
| Cash and investments  | \$ 4,199,439 | \$ 1,133,173                         | \$ 391,525          | \$ 1,897,603  |
| Restricted cash and investments   | 36,121       | -                                    | -                   | -             |
| Receivables:  |              |                                      |                     |               |
| Taxes   | 3,984,446    | 163,842                              | 109,228             | -             |
| Special assessments   | -            | -                                    | -                   | 8,993,936     |
| Due from other funds  | 23,295       | -                                    | -                   | -             |
| Other   | 118,456      | -                                    | -                   | -             |
| Land held for resale  | 100,000      | -                                    | -                   | -             |
| Total assets  | \$ 8,461,757 | \$ 1,297,015                         | \$ 500,753          | \$ 10,891,539 |
| Liabilities, deferred inflows of resources,<br>and fund balances (deficits):      |              |                                      |                     |               |
| Liabilities:  |              |                                      |                     |               |
| Accounts payable  | \$ 211,838   | \$ -                                 | \$ -                | \$ 58,113     |
| Accrued liabilities   | 195,525      | -                                    | -                   | -             |
| Due to other funds  | 774          | -                                    | -                   | -             |
| Payable from restricted assets:   |              |                                      |                     |               |
| Municipal court bonds   | 36,121       | -                                    | -                   | -             |
| Unearned revenue  | 28,400       | -                                    | -                   | -             |
| Total liabilities   | 472,658      | -                                    | -                   | 58,113        |
| Deferred inflows of resources:  |              |                                      |                     |               |
| Unavailable revenue - property taxes  | 2,940,512    | -                                    | -                   | -             |
| Unavailable revenue - special assessments   | -            | -                                    | -                   | 8,993,936     |
| Total deferred inflows of resources   | 2,940,512    | -                                    | -                   | 8,993,936     |
| Fund balances (deficits):   |              |                                      |                     |               |
| Restricted  | -            | -                                    | -                   | -             |
| Committed   | 184,404      | 1,297,015                            | 500,753             | 1,839,490     |
| Assigned  | 428,835      | -                                    | -                   | -             |
| Unassigned  | 4,435,348    | -                                    | -                   | -             |
| Total fund balances (deficits)  | 5,048,587    | 1,297,015                            | 500,753             | 1,839,490     |
| Total liabilities, deferred inflows of resources,<br>and fund balances (deficits) | \$ 8,461,757 | \$ 1,297,015                         | \$ 500,753          | \$ 10,891,539 |

See accompanying notes to basic financial statements.

(Continued)

CITY OF MISSION, KANSAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
(Continued)  
December 31, 2020

|   | Solid<br>Waste  | Capital<br>Improvement | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|-----------------|------------------------|--------------------------------|--------------------------------|
| <b>Assets:</b>  |                 |                        |                                |                                |
| Cash and investments  | \$ -            | \$ 475,838             | \$ 1,368,733                   | \$ 9,466,311                   |
| Restricted cash and investments   | -               | -                      | -                              | 36,121                         |
| Receivables:  |                 |                        |                                |                                |
| Taxes   | -               | -                      | 492,537                        | 4,750,053                      |
| Special assessments   | -               | -                      | -                              | 8,993,936                      |
| Due from other funds  | -               | -                      | 774                            | 24,069                         |
| Other   | -               | 32,421                 | 65,109                         | 215,986                        |
| Land held for resale  | -               | -                      | -                              | 100,000                        |
| <b>Total assets</b>   | <b>\$ -</b>     | <b>\$ 508,259</b>      | <b>\$ 1,927,153</b>            | <b>\$ 23,586,476</b>           |
| <b>Liabilities, deferred inflows of resources,<br/>and fund balances (deficits):</b>      |                 |                        |                                |                                |
| <b>Liabilities:</b>   |                 |                        |                                |                                |
| Accounts payable  | \$ -            | \$ -                   | \$ 314,977                     | \$ 584,928                     |
| Accrued liabilities   | -               | -                      | -                              | 195,525                        |
| Due to other funds  | 23,295          | -                      | -                              | 24,069                         |
| Payable from restricted assets:   |                 |                        |                                |                                |
| Municipal court bonds   | -               | -                      | -                              | 36,121                         |
| Unearned revenue  | -               | -                      | -                              | 28,400                         |
| <b>Total liabilities</b>  | <b>23,295</b>   | <b>-</b>               | <b>314,977</b>                 | <b>869,043</b>                 |
| <b>Deferred inflows of resources:</b>   |                 |                        |                                |                                |
| Unavailable revenue - property taxes  | -               | -                      | 449,270                        | 3,389,782                      |
| Unavailable revenue - special assessments   | -               | -                      | -                              | 8,993,936                      |
| <b>Total deferred inflows of resources</b>  | <b>-</b>        | <b>-</b>               | <b>449,270</b>                 | <b>12,383,718</b>              |
| <b>Fund balances (deficits):</b>  |                 |                        |                                |                                |
| Restricted  | -               | -                      | 787,919                        | 787,919                        |
| Committed   | -               | 508,259                | 360,168                        | 4,690,089                      |
| Assigned  | -               | -                      | 199,280                        | 628,115                        |
| Unassigned  | (23,295)        | -                      | (184,461)                      | 4,227,592                      |
| <b>Total fund balances (deficits)</b>   | <b>(23,295)</b> | <b>508,259</b>         | <b>1,162,906</b>               | <b>10,333,715</b>              |
| <b>Total liabilities, deferred inflows of resources,<br/>and fund balances (deficits)</b> | <b>\$ -</b>     | <b>\$ 508,259</b>      | <b>\$ 1,927,153</b>            | <b>\$ 23,586,476</b>           |

See accompanying notes to basic financial statements.

CITY OF MISSION, KANSAS  
RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
December 31, 2020

|   |              |              |
|---|--------------|--------------|
| Total governmental fund balances  | \$           | 10,333,715   |
| Amounts reported for governmental activities in the statement of net position are different because:  |              |              |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.   |              |              |
| The cost of capital assets is   | \$           | 93,926,980   |
| Accumulated depreciation is   |              | (26,083,698) |
| Other long-term assets are not available to pay for current expenditures and therefore are reported as unavailable in the funds.  |              | 67,843,282   |
| Notes receivable do not provide current financial resources and are not reported in the funds.  |              | 8,993,936    |
| OPEB contributions are reported as an expense in the funds and as a deferred outflow of resources in the governmental activities in the statement of net position.                                      |              | 390,633      |
| Pension contributions are reported as an expense in the funds and as a deferred outflow of resources in the governmental activities in the statement of net position.                                   |              | 63,005       |
| OPEB fundings are reported as revenue in the funds and as a deferred inflow of resources in the governmental activities in the statement of net position.   |              | 1,981,096    |
| Pension fundings are reported as revenue in the funds and as a deferred inflow of resources in the governmental activities in the statement of net position.  |              | (698,251)    |
| Pension fundings are reported as revenue in the funds and as a deferred inflow of resources in the governmental activities in the statement of net position.  |              | (181,194)    |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of: |              |              |
| General obligation bonds payable  | (19,570,000) |              |
| Premium   | (1,071,131)  |              |
| Discount  | 1,625        |              |
| Capital leases payable  | (425,584)    |              |
| Loan payable  | (59,990)     |              |
| Interest payable  | (215,024)    |              |
| Compensated absences payable  | (540,512)    |              |
| Net pension liability   | (6,734,482)  |              |
| Total other post-employment benefits  | (907,903)    |              |
| Net position of governmental activities   | \$           | 59,203,221   |

See accompanying notes to basic financial statements.

CITY OF MISSION, KANSAS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
Year Ended December 31, 2020

|  | General             | Parks and Recreation Sales Tax | Street Sales Tax  | Stormwater          |
|--|---------------------|--------------------------------|-------------------|---------------------|
| <b>Revenues:</b>   |                     |                                |                   |                     |
| Taxes  | \$ 9,243,775        | \$ 956,626                     | \$ 637,751        | \$ -                |
| Intergovernmental  | 79,553              | -                              | -                 | 48,861              |
| Licenses and permits   | 155,331             | -                              | -                 | -                   |
| Charges for services   | 657,528             | -                              | -                 | 2,519,498           |
| Fines and fees   | 793,465             | -                              | -                 | -                   |
| Special assessments  | -                   | -                              | -                 | 599,596             |
| Interest   | 13,067              | 2,003                          | 398               | 16,392              |
| Miscellaneous  | 672,904             | -                              | -                 | 813                 |
| <b>Total revenues</b>  | <b>11,615,623</b>   | <b>958,629</b>                 | <b>638,149</b>    | <b>3,185,160</b>    |
| <b>Expenditures:</b>   |                     |                                |                   |                     |
| <b>Current:</b>  |                     |                                |                   |                     |
| General government   | 2,383,991           | -                              | -                 | -                   |
| Public safety  | 3,827,951           | -                              | -                 | -                   |
| Public works   | 2,004,228           | -                              | -                 | 195,611             |
| Culture and recreation   | 2,122,427           | -                              | -                 | -                   |
| Capital outlay   | 924,445             | 268,106                        | -                 | 4,157,025           |
| Debt service:  |                     |                                |                   |                     |
| Principal  | 206,535             | 470,000                        | 445,000           | 1,979,907           |
| Interest and other charges                                       | 13,190              | 59,100                         | 25,060            | 726,836             |
| <b>Total expenditures</b>  | <b>11,482,767</b>   | <b>797,206</b>                 | <b>470,060</b>    | <b>7,059,379</b>    |
| <b>Excess (deficiency) of revenues over (under) expenditures</b> | <b>132,856</b>      | <b>161,423</b>                 | <b>168,089</b>    | <b>(3,874,219)</b>  |
| <b>Other financing sources (uses):</b>                           |                     |                                |                   |                     |
| Transfers in   | -                   | -                              | -                 | 88,000              |
| Transfers out  | (1,117,107)         | -                              | -                 | (283,575)           |
| General obligation bonds issued                                  | -                   | -                              | -                 | 6,020,000           |
| Premium on general obligation bonds issued                       | -                   | -                              | -                 | 329,140             |
| Payment to refunded bond escrow agent                            | -                   | -                              | -                 | (6,250,000)         |
| Leases (as lessee)   | 420,000             | -                              | -                 | -                   |
| Sale of general capital assets                                   | -                   | -                              | -                 | -                   |
| <b>Total other financing sources (uses)</b>                      | <b>(697,107)</b>    | <b>-</b>                       | <b>-</b>          | <b>(96,435)</b>     |
| <b>Net change in fund balances</b>                               | <b>(564,251)</b>    | <b>161,423</b>                 | <b>168,089</b>    | <b>(3,970,654)</b>  |
| <b>Fund balances, beginning</b>                                  | <b>5,612,838</b>    | <b>1,135,592</b>               | <b>332,664</b>    | <b>5,810,144</b>    |
| <b>Fund balances, ending</b>                                     | <b>\$ 5,048,587</b> | <b>\$ 1,297,015</b>            | <b>\$ 500,753</b> | <b>\$ 1,839,490</b> |

(Continued)

CITY OF MISSION, KANSAS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
(Continued)  
Year Ended December 31, 2020

|  | Solid Waste        | Capital Improvement | Other Governmental Funds | Total Governmental Funds |
|--|--------------------|---------------------|--------------------------|--------------------------|
| <b>Revenues:</b>   |                    |                     |                          |                          |
| Taxes  | \$ -               | \$ -                | \$ 596,730               | \$ 11,434,882            |
| Intergovernmental  | -                  | 670,414             | 404,248                  | 1,203,076                |
| Licenses and permits   | -                  | -                   | -                        | 155,331                  |
| Charges for services   | 523,915            | -                   | 1,500                    | 3,702,441                |
| Fines and fees   | -                  | -                   | 1,761                    | 795,226                  |
| Special assessments  | -                  | -                   | -                        | 599,596                  |
| Interest   | 395                | 1,521               | 2,014                    | 35,790                   |
| Miscellaneous  | 1,877              | 64,360              | 16,698                   | 756,652                  |
| <b>Total revenues</b>  | <b>526,187</b>     | <b>736,295</b>      | <b>1,022,951</b>         | <b>18,682,994</b>        |
| <b>Expenditures:</b>   |                    |                     |                          |                          |
| <b>Current:</b>  |                    |                     |                          |                          |
| General government   | 622,520            | 254,296             | 651,748                  | 3,912,555                |
| Public safety  | -                  | -                   | -                        | 3,827,951                |
| Public works   | -                  | -                   | 207,647                  | 2,407,486                |
| Culture and recreation   | -                  | -                   | 2,595                    | 2,125,022                |
| Capital outlay   | -                  | 1,397,600           | 10,520                   | 6,757,696                |
| Debt service:  |                    |                     |                          |                          |
| Principal  | -                  | 505,000             | 65,470                   | 3,671,912                |
| Interest and other charges                                       | -                  | 45,838              | 2,078                    | 872,102                  |
| <b>Total expenditures</b>  | <b>622,520</b>     | <b>2,202,734</b>    | <b>940,058</b>           | <b>23,574,724</b>        |
| <b>Excess (deficiency) of revenues over (under) expenditures</b> | <b>(96,333)</b>    | <b>(1,466,439)</b>  | <b>82,893</b>            | <b>(4,891,730)</b>       |
| <b>Other financing sources (uses):</b>                           |                    |                     |                          |                          |
| Transfers in   | 85,000             | 1,315,682           | -                        | 1,488,682                |
| Transfers out  | -                  | -                   | (88,000)                 | (1,488,682)              |
| General obligation bonds issued                                  | -                  | -                   | -                        | 6,020,000                |
| Premium on general obligation bonds issued                       | -                  | -                   | -                        | 329,140                  |
| Payment to refunded bond escrow agent                            | -                  | -                   | -                        | (6,250,000)              |
| Leases (as lessee)   | -                  | -                   | -                        | 420,000                  |
| Sale of general capital assets                                   | -                  | -                   | 91,635                   | 91,635                   |
| <b>Total other financing sources (uses)</b>                      | <b>85,000</b>      | <b>1,315,682</b>    | <b>3,635</b>             | <b>610,775</b>           |
| <b>Net change in fund balances</b>                               | <b>(11,333)</b>    | <b>(150,757)</b>    | <b>86,528</b>            | <b>(4,280,955)</b>       |
| <b>Fund balances, beginning</b>                                  | <b>(11,962)</b>    | <b>659,016</b>      | <b>1,076,378</b>         | <b>14,614,670</b>        |
| <b>Fund balances, ending</b>                                     | <b>\$ (23,295)</b> | <b>\$ 508,259</b>   | <b>\$ 1,162,906</b>      | <b>\$ 10,333,715</b>     |

See accompanying notes to basic financial statements.

CITY OF MISSION, KANSAS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES WITH THE  
STATEMENT OF ACTIVITIES  
Year Ended December 31, 2020

|  |             |             |
|--|-------------|-------------|
| Total net change in fund balances - governmental funds   | \$          | (4,280,955) |
| Amounts reported for governmental activities in the statement of activities are different because:   |             |             |
| Capital outlays to purchase or build assets are reported in governmental funds as expenditures. For governmental activities, however, those costs are shown in the statement of net position and allocated over their estimated useful lives as depreciation expense in the statement of activities.   |             |             |
| Capital outlays  | \$          | 6,757,696   |
| Depreciation expense   | (2,422,102) |             |
| The net effect of various miscellaneous transactions involving capital assets (e.g., sales and donations) is to decrease net position.   |             |             |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.   |             |             |
| The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to government funds, while the repayment of the principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. |             |             |
| Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and, thus, requires the use of current financial resources.   |             |             |
| In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.   |             |             |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.  |             |             |
| Accrued liabilities  | 664,081     |             |
| Compensated absences   | (49,155)    |             |
| OPEB   | 132,859     |             |
| Pension  | (418,119)   |             |
| Repayments of long-term debt instruments are expenditures in the governmental funds, but reduce long-term liabilities in the statement of net position and do not affect the statement of activities.  |             |             |
| Bond principal   | 9,881,935   |             |
| Capital leases   | 202,005     |             |
| Loan principal   | 4,906       |             |
| Change in net position of governmental activities  |             |             |
|  | \$          | 10,088,846  |
|  | \$          | 2,937,387   |

See accompanying notes to basic financial statements.

CITY OF MISSION, KANSAS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS  
GENERAL FUND  
Year Ended December 31, 2020

|   | Original and Final Budgeted Amounts | Actual Amounts Budgetary Basis | Variance with Final Budget - Positive (Negative) |
|---|-------------------------------------|--------------------------------|--|
| Revenues:   |                                     |                                |  |
| Taxes   | \$ 9,262,987                        | \$ 9,243,775                   | \$ (19,212)                                      |
| Intergovernmental   | 90,000                              | 79,553                         | (10,447)   |
| Licenses and permits                                      | 158,700                             | 155,331                        | (3,369)  |
| Charges for services                                      | 2,118,900                           | 657,528                        | (1,461,372)                                      |
| Fines and fees  | 1,385,500                           | 793,465                        | (592,035)  |
| Interest  | -                                   | 13,067                         | 13,067   |
| Miscellaneous   | 585,000                             | 672,904                        | 87,904   |
| Total revenues  | 13,601,087                          | 11,615,623                     | (1,985,464)                                      |
| Expenditures:   |                                     |                                |  |
| General government:                                       |                                     |                                |  |
| Personal service  | 1,335,860                           | 1,310,230                      | 25,630   |
| Contractual   | 1,114,250                           | 683,785                        | 430,465  |
| Commodities   | 61,450                              | 36,141                         | (303,691)  |
| Capital outlay  | 35,000                              | 7,306                          | 27,694   |
| Total general government                                  | 2,546,560                           | 2,366,462                      | 180,098  |
| Public safety:  |                                     |                                |  |
| Personal service  | 3,706,500                           | 3,443,522                      | 262,978  |
| Contractual   | 425,060                             | 282,812                        | 142,248  |
| Commodities   | 162,500                             | 101,617                        | 60,883   |
| Capital outlay  | 282,700                             | 673,075                        | (390,375)  |
| Total public safety                                       | 4,576,760                           | 4,501,026                      | 75,734   |
| Public works:   |                                     |                                |  |
| Personal service  | 1,056,000                           | 955,141                        | 100,859  |
| Contractual   | 1,029,020                           | 858,144                        | 170,876  |
| Commodities   | 193,800                             | 190,943                        | 2,857  |
| Capital outlay  | 34,000                              | 34,576                         | (576)  |
| Total public works  | 2,312,820                           | 2,038,804                      | 274,016  |
| Culture and recreation                                    |                                     |                                |  |
| Personal service  | 1,783,000                           | 1,324,296                      | 458,704  |
| Contractual   | 949,350                             | 721,698                        | 227,652  |
| Commodities   | 161,450                             | 84,103                         | 77,347   |
| Total culture and recreation                              | 2,893,800                           | 2,130,097                      | 763,703  |
| Debt service  | 205,000                             | 219,725                        | (14,725)   |
| Contingency   | 5,110,000                           | -                              | 5,110,000  |
| Total expenditures  | 17,644,940                          | 11,256,114                     | 6,388,826  |
| Excess (deficiency) of revenues over (under) expenditures | \$ (4,043,853)                      | \$ 359,509                     | \$ 4,403,362                                     |

(Continued)

CITY OF MISSION, KANSAS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS  
GENERAL FUND  
(Continued)  
Year Ended December 31, 2020

|   | Original<br>and Final<br>Budgeted<br>Amounts | Actual<br>Amounts<br>Budgetary<br>Basis | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|---|--|---|--|
| Other financing sources (uses)  |  |   |  |
| Transfers out   | \$ (1,135,000)                               | \$ (1,117,107)                          | \$ 17,893  |
| Lease proceeds  | -  | 420,000                                 | 420,000  |
| Total other financing sources (uses)  | (1,135,000)                                  | (697,107)                               | 437,893  |
| Net change in fund balance  | (5,178,853)                                  | (337,598)                               | 4,841,255  |
| Fund balance, beginning of year   | 5,038,333                                    | 5,273,350                               | 235,017  |
| Fund balance, end of year   | <u>\$ (140,520)</u>                          | <u>4,935,752</u>                        | <u>\$ 5,076,272</u>  |
| Encumbrances for equipment and professional services ordered but not received are not recorded for GAAP purposes until received |  | 112,835                                 |  |
| Fund balance on the basis of GAAP   |  | <u>\$ 5,048,587</u>                     |  |

See accompanying notes to basic financial statements.

CITY OF MISSION, KANSAS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS  
STORMWATER FUND  
Year Ended December 31, 2020

|  | Original<br>and Final<br>Budgeted<br>Amounts | Actual<br>Amounts<br>Budgetary<br>Basis | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|--|---|---|
| Revenues:  |  |   |   |
| Intergovernmental  | \$ 599,000                                   | \$ 48,861                               | \$ (550,139)  |
| Charges for services   | 2,535,000                                    | 2,519,498                               | (15,502)  |
| Special assessments  | -  | 599,596                                 | 599,596   |
| Interest   | 40,000                                       | 16,392                                  | (23,608)  |
| Miscellaneous  | 18,220                                       | 813                                     | (17,407)  |
| Total revenues   | <u>3,192,220</u>                             | <u>3,185,160</u>                        | <u>(7,060)</u>  |
| Expenditures:  |  |   |   |
| Public works   | 400,000                                      | 195,611                                 | 204,389   |
| Capital outlay   | 4,561,237                                    | 5,287,749                               | (726,512)   |
| Debt service   | 2,614,160                                    | 2,706,743                               | (92,583)  |
| Total expenditures   | <u>7,575,397</u>                             | <u>8,190,103</u>                        | <u>(614,706)</u>  |
| Deficiency of revenues under expenditures  | <u>(4,383,177)</u>                           | <u>(5,004,943)</u>                      | <u>(621,766)</u>  |
| Other financing sources (uses):  |  |   |   |
| Transfers in   | 88,000                                       | 88,000                                  | -   |
| Transfers out  | (283,575)                                    | (283,575)                               | -   |
| General obligation bonds issued  | -  | 6,020,000                               | 6,020,000   |
| Premium on general obligation bonds issued   | -  | 329,140                                 | 329,140   |
| Payment to refunded bond escrow agent  | -  | (6,250,000)                             | (6,250,000)   |
| Total other financing sources (uses)   | <u>(195,575)</u>                             | <u>(96,435)</u>                         | <u>99,140</u>   |
| Net change in fund balance   | <u>(4,578,752)</u>                           | <u>(5,101,378)</u>                      | <u>(522,626)</u>  |
| Fund balance, beginning  | <u>5,266,297</u>                             | <u>5,810,144</u>                        | <u>543,847</u>  |
| Fund balance, ending   | <u>\$ 687,545</u>                            | <u>\$ 708,766</u>                       | <u>\$ 21,221</u>  |
| Encumbrances for professional services contracted but not performed are not recorded for GAAP purposes until performed |  | 1,130,724                               |   |
| Fund balance on the basis of GAAP  |  | <u>\$ 1,839,490</u>                     |   |

See accompanying notes to basic financial statements.



CITY OF MISSION, KANSAS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS  
SOLID WASTE FUND  
Year Ended December 31, 2020

|   | Original<br>and Final<br>Budgeted<br>Amounts | Actual<br>Amounts<br>Budgetary<br>Basis | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|---|--|---|---|
| Revenues:                                 |  |   |   |
| Charges for services                      | \$ 588,000                                   | \$ 523,915                              | \$ (64,085)   |
| Interest                                  | 100  | 395                                     | 295   |
| Miscellaneous                             | -  | 1,877                                   | 1,877   |
| Total revenues                            | 588,100                                      | 526,187                                 | (61,913)  |
| Expenditures:                             |  |   |   |
| General government                        | 672,500                                      | 622,520                                 | 49,980  |
| Deficiency of revenues under expenditures | (84,400)                                     | (96,333)                                | (11,933)  |
| Other financing sources:                  |  |   |   |
| Transfers in                              | 95,000                                       | 85,000                                  | (10,000)  |
| Net change in fund balance                | 10,600                                       | (11,333)                                | (21,933)  |
| Fund balance, beginning                   | (6,011)                                      | (11,962)                                | (5,951)   |
| Fund balance, ending                      | \$ 4,589                                     | \$ (23,295)                             | \$ (27,884)   |

See accompanying notes to basic financial statements.

CITY OF MISSION, KANSAS  
STATEMENT OF FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
December 31, 2020

|  | Total<br>Custodial<br>Funds |
|--|-----------------------------|
| Assets:  |                             |
| Cash and investments   | \$ 53,810                   |
| Net position:  |                             |
| Restricted for individuals, organizations, and other governments | \$ 53,810                   |

See accompanying notes to basic financial statements.

CITY OF MISSION, KANSAS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
Year Ended December 31, 2020

|  | Total<br>Custodial<br>Funds        |
|--|------------------------------------|
| <b>Additions:</b><br>Employee contributions<br>Reinstatement fees<br>Judicial surcharge  | \$ 48,810<br>18,109<br>4,818       |
| <b>Total additions</b>   | <b>71,737</b>                      |
| <b>Deductions:</b><br>Claims paid<br>Administrative purchases<br>Reinstatement fee remittance<br>Judicial surcharge remittance | 46,905<br>8,908<br>18,855<br>5,016 |
| <b>Total deductions</b>  | <b>79,684</b>                      |
| <b>Net change in fiduciary net position</b>  | <b>(7,947)</b>                     |
| <b>Net position, beginning</b>   | <b>61,757</b>                      |
| <b>Net position, ending</b>  | <b>\$ 53,810</b>                   |

See accompanying notes to basic financial statements.

CITY OF MISSION, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2020

1 - Summary of Significant Accounting Policies

Reporting Entity

The City of Mission, Kansas (the City) is a city of the second class with a mayor-council form of government with the addition of a city administrator. The City was incorporated in 1951 and covers an area of approximately 2.87 square miles in Johnson County, Kansas. The City has 9,490 residents. The City's organization consists of the general government, which is made up of the general overhead, legislative, administration, and community development departments; public safety, which is made up of the municipal court and police departments; the public works department; and culture and recreation, which is made up of the Mission Family Aquatic Center and Sylvester Powell, Jr. Community Center departments.

The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations. Rock Creek Drainage District #1 and Rock Creek Drainage District #2 (the Districts) are blended component units of the City. The City created the Districts to generate revenue for stormwater projects. Each year, the Districts transfer funds primarily to the City's stormwater fund. The Districts are legally separate entities from the City. However, the City Council makes up the entirety of the Districts' boards. As such, the City can impose its will on the Districts. Additionally, the City's management manages the activities of the Districts in essentially the same manner as they manage City activities. Separately issued financial statements are not prepared for the Districts.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. All nonfiduciary activities of the City are governmental activities. All fiduciary activities are reported only in the fund financial statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to use in meeting the operational or capital requirements of a particular function. Internally dedicated resources are reported as general revenues rather than as program revenues. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CITY OF MISSION, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Each fund is considered to be a separate accounting entity, accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, fund balance, revenues, and expenditures. Governmental resources are allocated to and accounted for within individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt, or earlier if the susceptible to accrual criteria are met.

Property taxes, sales taxes, utility franchise taxes, interest associated with the current fiscal period, and certain state and federal grants and entitlements are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

While property taxes receivable are shown on the balance sheet as current assets of the City, they are not recognized as revenue at year end because statutory provisions prohibit their use until the year for which they were raised and budgeted. Instead, they are offset by unavailable revenue accounts.

The City reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Parks and Recreation Sales Tax Fund* is a capital project fund used to account for revenues received from 3/8 of one percent sales tax for parks and recreation, with a portion pledged to retire the Series 2013-B General Obligation Bonds issued for the outdoor aquatic facility project. The balance may be used for other parks and recreation activities, including operating costs. The sales tax sunsets in 2023.

The *Street Sales Tax Fund* is a capital project fund used to account for revenues from the 1/4 cent sales tax for streets, pledged to retire the Series 2012-A General Obligation Bonds issued for the Martway/Johnson Drive rehabilitation projects. The additional revenue may be used for street improvements. The sales tax sunsets in 2022.

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CITY OF MISSION, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

The *Stormwater Fund* is used to account for storm water utility charges received based on an equivalent residential unit (ERU) to be used for storm water improvements citywide, including public works expenditures. Revenues are either restricted or committed for this purpose.

The *Solid Waste Fund* is used to account for solid waste utility charges collected from an annual assessment to cover general government expenditures, including contract and supply costs. Revenues are either restricted or committed for this purpose.

The *Capital Improvement Fund* is used to account for resources used to construct and maintain infrastructure citywide.

Additionally, the City reports the following fiduciary fund type:

Custodial funds are used to report resources held by the City in a purely custodial capacity. The City uses Custodial funds to account for amounts collected through the court for driver's license reinstatement fees due to the State of Kansas, for amounts collected and paid for Driving Under the Influence evaluations, and for amounts collected for employee cafeteria plan contributions.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Deposits and Investments

The City's cash and investments are considered to be demand deposits and cash held by the State of Kansas Municipal Investment Pool. The City considers all highly liquid, short-term investments with original maturities of 90 days or less to be cash equivalents.

Investments are reported in the accompanying financial statements at fair value.

Receivables and Payables

Receivables are reported on the government-wide financial statements net of an allowance for uncollectible accounts. At December 31, 2020, an allowance for uncollectible receivables of approximately \$ 647,000 has been recorded.

Collection of current year property tax by the County Treasurer is not completed, apportioned or distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. Consequently, current year property tax receivables are not available as a resource that can be used to finance the current year operations of the City and, therefore, are not susceptible to accrual. Accruals of uncollected current year property taxes are offset by deferred inflows and are identical to the adopted budget for 2021.

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CITY OF MISSION, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the accounting period, and further, the amounts thereof are not material in relationship to the financial statements taken as a whole.

The determination of assessed valuations and the collection of property taxes for all political subdivisions in the State of Kansas are the responsibility of the various counties. The County Appraiser annually determines assessed valuation on January 1 and the County Clerk spreads the annual assessment on the tax rolls. Property taxes are levied as of November 1 and become a lien on the property as of that date. Payments are due November 1, becoming delinquent, with penalty, December 21. Payments of 50% are accepted through December 20, with the second 50% then being due on or before May 10 of the following year.

The County Treasurer is the tax collection agent for all taxing entities within the County. The initial distribution to the subdivisions, including the City, is on or before January 20 of the ensuing year. Additional amounts are distributed on four subsequent dates throughout the calendar year.

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

Capital Assets

Capital assets, which include land, buildings, improvements, equipment, infrastructure assets, and construction in progress, are reported in the government-wide financial statements as assets. Capital assets are defined by the City as assets with an initial, individual cost of more than \$ 1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of assets or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the government are depreciated using the straight-line method over the following estimated useful lives:

| Category                | Years   |
|-------------------------|---------|
| Buildings               | 20 - 75 |
| Building improvements   | 20 - 75 |
| Machinery and equipment | 5 - 10  |
| Office equipment        | 5 - 10  |
| Infrastructure          | 20 - 75 |
| Fitness equipment       | 3       |

CITY OF MISSION, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 8 and 9 for more information on the deferred outflows for the other post-employment benefits (OPEB) and pension plans, respectively.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category. One item, *unavailable revenue*, is reported in the governmental funds balance sheet and the governmental activities in the government-wide statement of net position. The governmental funds and governmental activities report unavailable revenues from property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other items are deferred inflows for the OPEB and pension plans. See Notes 8 and 9 for more information on the deferred inflows for the OPEB and pension plans, respectively.

Compensated Absences

Under terms of the City's personnel policy, City employees are granted vacation and sick leave in varying amounts. At the end of each calendar year, employees are allowed to carry over any unused vacation and sick leave. In the event of termination, an employee is paid for any unused carryover plus all unused earned vacation through the date of separation not to exceed a total of 240 hours.

The City's sick leave policy is to pay employees 50% of unused sick leave upon retirement or termination without cause. A liability for compensated absences is reported in governmental funds only if it has matured, for example, as a result of employee resignations and retirements. All compensated absences are accrued when incurred in the government-wide financial statements.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

CITY OF MISSION, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

Pensions

For purposes of measuring the collective net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Kansas Public Employees Retirement System (KPERS) and additions to/deductions from KPERS' fiduciary net position have been determined on the same basis as they are reported by KPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Balances

As prescribed by GASB Statement No. 54, governmental funds report fund balance classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of December 31, 2020, fund balances for governmental funds are made up of the following:

*Nonspendable fund balances* include amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

*Restricted fund balances* include amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

*Committed fund balances* include amounts that can only be used for specific purposes determined by a formal action, an ordinance, or the City's highest level of decision-making authority, the City Council. Commitments may be changed or lifted only by the City Council taking the same formal action, an ordinance, that originally imposed the constraint.

*Assigned fund balances* include amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by an action of (1) the City Council or (2) a body or official to which the City Council has delegated the authority to assign amounts to be used for specific purposes. The authority for management to assign fund balance is presented in the City Council Policy Manual. An additional action does not have to be taken for the removal of an assignment.

*Unassigned fund balance* is the residual classification for the General Fund and includes all amounts not contained in other classifications. The General Fund is the only fund that can report a positive unassigned fund balance amount. In governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund. Unassigned amounts are technically available for any purpose.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

CITY OF MISSION, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

It is the fund balance policy of the City to budget an amount in the General Fund reserves equal to 25% of budgeted General Fund revenues for that same budget year.

The following is the detail for fund balance classifications in the financial statements:

|  | Major Governmental Funds |                                |                  |              |             |                     | Total Governmental Funds |
|--|--------------------------|--------------------------------|------------------|--------------|-------------|---------------------|--------------------------|
|  | General                  | Parks and Recreation Sales Tax | Street Sales Tax | Stormwater   | Solid Waste | Capital Improvement |                          |
| Fund balance:                            |                          |                                |                  |              |             |                     |                          |
| Restricted for:                          |                          |                                |                  |              |             |                     |                          |
| Abolished awareness programs             | \$ -                     | \$ -                           | \$ -             | \$ -         | \$ -        | \$ -                | \$ 110,197               |
| Animal care and kennels                  | -                        | -                              | -                | -            | -           | -                   | 6,007                    |
| Culture and recreation                   | -                        | -                              | -                | -            | -           | -                   | 106,365                  |
| Donations                                | -                        | -                              | -                | -            | -           | -                   | 48,771                   |
| Education                                | -                        | -                              | -                | -            | -           | -                   | 18,163                   |
| Highway                                  | -                        | -                              | -                | -            | -           | -                   | 14,500                   |
| Public works                             | -                        | -                              | -                | -            | -           | -                   | 423,288                  |
| Committed for:                           |                          |                                |                  |              |             |                     |                          |
| ADA compliance                           | 184,404                  | -                              | -                | -            | -           | -                   | 184,404                  |
| Capital improvements                     | -                        | -                              | -                | -            | -           | -                   | 508,239                  |
| Development projects                     | -                        | 1,297,015                      | -                | -            | -           | -                   | 1,297,015                |
| Equipment reserve and replacement        | -                        | -                              | -                | -            | -           | -                   | 7,362                    |
| Form and flower market                   | -                        | -                              | -                | -            | -           | -                   | 287,314                  |
| Public safety                            | -                        | -                              | -                | -            | -           | -                   | 17,270                   |
| Assigned for:                            |                          |                                |                  |              |             |                     |                          |
| Business improvement                     | 10,000                   | -                              | -                | -            | -           | -                   | 10,000                   |
| Capital improvements                     | 200,000                  | -                              | -                | -            | -           | -                   | 399,280                  |
| Culture and recreation                   | 2,670                    | -                              | -                | -            | -           | -                   | 2,670                    |
| Direct purchase of materials             | 96,000                   | -                              | -                | -            | -           | -                   | 96,000                   |
| Direct purchase survey                   | 16,000                   | -                              | -                | -            | -           | -                   | 16,000                   |
| Financial software and computer upgrades | 100,000                  | -                              | -                | -            | -           | -                   | 100,000                  |
| Unassigned                               | 4,457,540                | -                              | -                | -            | (23,295)    | -                   | 4,277,992                |
| Total fund balances                      | \$ 5,045,587             | \$ 1,297,015                   | \$ 500,733       | \$ 1,839,400 | \$ (23,295) | \$ 508,239          | \$ 10,333,715            |

CITY OF MISSION, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

Net Position

In the government-wide financial statements, equity is displayed in three components as follows:

*Net Investment in Capital Assets* consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

*Restricted* consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

*Unrestricted* consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Pending Governmental Accounting Standards Board Statements

At December 31, 2020, the Governmental Accounting Standards Board (GASB) had issued several statements not yet implemented by the City. The statements that might impact the City are as follows:

GASB Statement No. 87, *Leases*, requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for periods beginning after June 15, 2021.

GASB Statement No. 91, *Conduit Debt Obligations*, eliminates diversity in practice associated with government issuers' financial reporting of conduit debt obligations. The Statement achieves that objective by classifying the existing definition of a conduit debt obligation, establishing that a conduit debt obligation is not a liability of the issuer, establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations, and improving required note disclosures. The requirements for this statement are effective for periods beginning after December 15, 2021.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, provides guidance for the financial reporting of public-private and public-public partnerships and availability payment arrangements. The requirements of this statement are effective for periods beginning after June 15, 2022.

CITY OF MISSION, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this statement are effective for periods beginning after June 15, 2022.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, addresses (a) the applicability of component unit criteria to certain arrangements, including some Internal Revenue Code Section 457 deferred compensation plans, and (b) the accounting and financial reporting for Section 457 plans. The requirements of Statement 97 that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of Statement 97 that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021.

2 - Stewardship, Compliance and Accountability

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund and special revenues funds (unless specifically exempted by statute). The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1<sup>st</sup>.
2. Publication in the local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5<sup>th</sup>.
3. Public hearing on or before August 15<sup>th</sup>, but at least ten days after publication of the notice of hearing.
4. Adoption of the final budget on or before August 25<sup>th</sup>.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held, and the governing body may amend the budget at that time. In 2020, a budget amendment was adopted for the Capital Improvement Fund.

The statutes permit management to transfer budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.



CITY OF MISSION, KANSAS  
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All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments by the City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year end. Encumbered appropriations are carried forward.

A legal operating budget is not required for the Special Law Enforcement Fund, School District Sales Tax Fund, Donations and Gifts Fund, Silvercrest TIF Fund, Transportation Utility Fund, Mission Trails TIF, Mission Farm and Flower Market Fund, and the fiduciary funds.

In fiscal year 2020, actual expenditures exceeded budget expenditures in the Stormwater Fund and the Mission Crossing TIF Fund, which is a violation of K.S.A. 79-2935.

Spending in funds that are not subject to the legal annual operating budget requirements is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

Deficit Fund Balances

The Solid Waste Fund had a deficit fund balance of \$ 23,295 at December 31, 2020 that will be recovered from future charges for services.

The Mission Crossing TIF Fund had a deficit fund balance of \$ 184,461 at December 31, 2020 that will be recovered from future tax revenue.

3 - Deposits and Investments

Deposits

*Custodial Credit Risk – Deposits*

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. Kansas statutes require that deposits be collateralized, and that collateral pledged must have a fair market value equal to 100% of the deposits and investments, less insured amounts, and must be assigned for the benefit of the City. The City's deposit policy for custodial credit risk requires that the depository banks will maintain 100% security in the form of FDIC coverage and pledged collateral according to K.S.A. 9-1402.

The City's cash is considered to be active funds by management and is invested according to K.S.A. 9-1401. The statute requires that banks eligible to hold active funds have a main or branch bank in the county or an adjoining county in which the City is located, and the banks provide an acceptable rate for active funds.

CITY OF MISSION, KANSAS  
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Investments

On December 31, 2020, the City had the following investment and related maturity:

| Investment Type                  | Fair Value   | Rating    | Maturity<br>(in Years) |
|----------------------------------|--------------|-----------|------------------------|
| Kansas Municipal Investment Pool | \$ 8,586,868 | Not rated | Less than One          |
|                                  |              |           | \$ 8,586,868           |

*Credit Risk*

Various City investments are considered to be idle funds by management and are invested according to K.S.A. 12-1675. The statute requires that the City invest its idle funds in only temporary notes of the City, bank certificates of deposit, repurchase agreements, and if eligible banks do not offer an acceptable rate for the funds: U.S. Treasury bills or notes or the Kansas Municipal Investment Pool (KMIP). The City's investments in the KMIP were not rated by a rating agency as of December 31, 2020. Maturities of the above investments may not exceed two years by statute.

The KMIP is under the oversight of the Pooled Money Investment Board (PMIB). The PMIB is comprised of the State Treasurer and four additional members appointed by the State Governor. The PMIB reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest by the U.S. government or any agency thereof, with maturities up to four years. No more than 10 percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

Some of the City's investments are of bond proceeds invested pursuant to K.S.A. 10-131. This statute allows additional investment authority beyond that of K.S.A. 12-1675. Investments of bond proceeds may follow K.S.A. 12-1675 or include other investments such as the KMIP; direct obligations of the United States government or any agency thereof; investment agreements with a financial institution, the obligations of which, at the time of investment, are rated in either of the three highest rating categories by Moody's Investors Service or Standard and Poor's Corporation; and various other investments as specified in K.S.A. 10-131.

*Interest Rate Risk*

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City is not exposed to significant interest rate risk.

*Concentrations of Credit Risk*

State statutes and the City place no limit on the amount the City may invest in any one issuer.

CITY OF MISSION, KANSAS  
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(Continued)

*Custodial Credit Risk - Investments*

For an investment, custodial credit risk is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At December 31, 2020, the City's investments were not exposed to custodial credit risk.

*Fair Value Measurement*

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. For the year ended December 31, 2020, the City's investment in KMIP was considered a cash equivalent as all investments were held in the overnight pool. Investments that are considered cash equivalents are not classified in the fair value hierarchy.

4 - Notes Receivable and Land Held for Resale

In August 2006, the City entered into an agreement leasing land at 6900 Martway Street to a lessee for a maximum term of 21 years for rent of \$ 10 per year with the option for the lessee to purchase the land on or before the end of the lease term for \$ 100,000 as adjusted by using the consumer price index. As of December 31, 2020, the land's net realizable value was \$ 100,000. In April 2007, the City signed promissory notes to finance both a borrower's acquisition of a building and other improvements at the same location in the amount of \$ 534,692 as well as the borrower's remodeling of the building and other improvements for business operations in the amount of \$267,882, with both loans over a term of 21 years at 5.00% per annum. During the fiscal year ending December 31, 2020, the City received \$ 43,628 in principal payments towards the loans. As of December 31, 2020, the City had outstanding notes receivable of \$ 390,633.

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5 - Capital Assets

Capital asset activity for the year ended December 31, 2020 was as follows:

|   | Beginning<br>Balance | Increases    | Decreases    | Ending<br>Balance |
|---|----------------------|--------------|--------------|-------------------|
| Governmental activities:                    |                      |              |              |                   |
| Capital assets not being depreciated:       |                      |              |              |                   |
| Land  | \$ 9,338,256         | \$ -         | \$ -         | \$ 9,338,256      |
| Construction in progress                    | 1,588,316            | 5,569,991    | 2,929,086    | 4,229,221         |
| Total capital assets not being depreciated  | 10,926,572           | 5,569,991    | 2,929,086    | 13,567,477        |
| Capital assets being depreciated:           |                      |              |              |                   |
| Buildings                                   | 13,055,744           | -            | -            | 13,055,744        |
| Improvements                                | 149,997              | -            | -            | 149,997           |
| Infrastructure                              | 57,068,911           | 2,779,241    | 2,500        | 59,845,652        |
| Machinery and equipment                     | 6,361,163            | 1,161,230    | 214,283      | 7,308,110         |
| Total capital assets being depreciated      | 76,635,815           | 3,940,471    | 216,783      | 80,359,503        |
| Less accumulated depreciation for:          |                      |              |              |                   |
| Buildings                                   | 4,654,264            | 287,375      | -            | 4,941,639         |
| Improvements                                | 105,351              | 3,213        | -            | 108,564           |
| Infrastructure                              | 14,228,009           | 1,482,620    | 2,500        | 15,708,129        |
| Machinery and equipment                     | 4,890,755            | 648,894      | 214,283      | 5,325,366         |
| Total accumulated depreciation              | 23,878,379           | 2,422,102    | 216,783      | 26,083,698        |
| Governmental activities capital assets, net | \$ 63,684,008        | \$ 7,088,360 | \$ 2,929,086 | \$ 67,843,282     |

Depreciation expense was charged to functions/programs of the City for the year ended December 31, 2020 as follows:

|                            |              |
|----------------------------|--------------|
| Governmental activities:   |              |
| General government         | \$ 89,805    |
| Public safety              | 313,414      |
| Public works               | 1,590,159    |
| Culture and recreation     | 428,724      |
| Total depreciation expense | \$ 2,422,102 |



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NOTES TO BASIC FINANCIAL STATEMENTS  
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6 - Long-Term Debt

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital projects.

General obligation bonds payable at December 31, 2020 was comprised of the following issues:

|                                    | Interest Rates | Original Issue | Final Maturity Date | Principal Payments During 2020 | Outstanding December 31, 2020 |
|------------------------------------|----------------|----------------|---------------------|--------------------------------|-------------------------------|
| General obligation bonds:          |                |                |                     |                                |                               |
| Series 2010A - Capital Improvement | 2.75%          | \$ 3,305,000   | 09/01/20            | \$ 355,000                     | \$ -                          |
| Series 2010B - Refunding           | 4.00% - 4.25%  | 6,945,000      | 09/01/29            | 6,945,000                      | -                             |
| Series 2012A - Capital Improvement | 1.65% - 2.00%  | 4,360,000      | 09/01/22            | 445,000                        | 920,000                       |
| Series 2013A - Capital Improvement | 2.50% - 3.00%  | 680,000        | 09/01/23            | 70,000                         | 220,000                       |
| Series 2013B - Capital Improvement | 3.00%          | 4,510,000      | 09/01/23            | 470,000                        | 1,500,000                     |
| Series 2013C - Capital Improvement | 2.00% - 2.50%  | 4,480,000      | 09/01/23            | 505,000                        | 1,585,000                     |
| Series 2014A - Refunding           | 2.00% - 3.00%  | 9,795,000      | 09/01/29            | 885,000                        | 5,895,000                     |
| Series 2019A - Capital Improvement | 4.00% - 5.00%  | 3,470,000      | 09/01/29            | 40,000                         | 3,430,000                     |
| Series 2020A - Refunding           | 1.50% - 2.00%  | 6,020,000      | 09/01/29            | -                              | 6,020,000                     |
|                                    |                |                |                     | <u>\$ 9,715,000</u>            | <u>\$ 19,570,000</u>          |

Call provisions at the option of the City included in the bonds were as follows:

Series 2012A: Callable September 1, 2020 at par plus accrued interest  
Series 2013A: Callable September 1, 2021 at par plus accrued interest  
Series 2013B: Callable September 1, 2021 at par plus accrued interest  
Series 2013C: Callable September 1, 2019 at par plus accrued interest  
Series 2014A: Callable September 1, 2022 at par plus accrued interest  
Series 2019A: Callable September 1, 2027 at par plus accrued interest  
Series 2020A: Callable September 1, 2027 at par plus accrued interest

CITY OF MISSION, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

The remaining installment ranges for the general obligation bonds are as follows:

|                                    | Installment Range |            |
|------------------------------------|-------------------|------------|
|                                    | Low               | High       |
| General obligation bonds:          |                   |            |
| Series 2012A - Capital Improvement | \$ 455,000        | \$ 465,000 |
| Series 2013A - Capital Improvement | 70,000            | 75,000     |
| Series 2013B - Capital Improvement | 485,000           | 515,000    |
| Series 2013C - Capital Improvement | 515,000           | 545,000    |
| Series 2014A - Refunding           | 395,000           | 975,000    |
| Series 2019A - Capital Improvement | 50,000            | 545,000    |
| Series 2020A - Refunding           | 275,000           | 1,145,000  |

Annual debt service requirements through maturity for general obligation bonds are as follows:

| Year Ending December 31, | Principal            | Interest            |
|--------------------------|----------------------|---------------------|
| 2021                     | \$ 3,585,000         | \$ 553,384          |
| 2022                     | 3,690,000            | 458,501             |
| 2023                     | 2,930,000            | 375,363             |
| 2024                     | 1,845,000            | 290,788             |
| 2025                     | 1,900,000            | 236,113             |
| 2026-2030                | 5,620,000            | 438,550             |
| Total                    | <u>\$ 19,570,000</u> | <u>\$ 2,352,699</u> |

Refunding

In the current year, the City issued Series 2020A General Obligation Refunding Bonds in the amount of \$ 6,020,000 to currently refund \$ 6,250,000 of the outstanding balance of the Series 2010B Refunding Bonds. The refunding transaction resulted in an economic gain of \$ 805,213 and a decrease in the future debt service payments of \$ 828,194.

Kansas Department of Health and Environment - Direct Borrowing

The Kansas Department of Health and Environment (KDHE) and the City entered into an agreement for direct borrowing. As of December 31, 2020, the City had made \$ 406,272 in loan draws and had \$ 304,704 in principal forgiveness. The loan calls for an interest rate of 2.60%. The agreement provides that, in the event of default, KDHE may take whatever action is available under the law or at equity to collect the debt due or to become due. KDHE may also collect any legal fees, or otherwise, necessary to carry out this action. The agreement also provides that KDHE may take action to accelerate payment of remaining principal if deemed necessary.

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(Continued)

Annual debt service requirements to maturity for the KDHE loan outstanding at December 31, 2020 are as follows:

| Year Ending<br>December 31, | Principal | Interest |
|-----------------------------|-----------|----------|
| 2021                        | \$ 5,036  | \$ 1,526 |
| 2022                        | 5,168     | 1,395    |
| 2023                        | 5,303     | 1,259    |
| 2024                        | 5,441     | 1,121    |
| 2025                        | 5,584     | 978      |
| 2026-2030                   | 30,189    | 2,621    |
| 2031-2035                   | 3,269     | 42       |
| Total                       | \$ 59,990 | \$ 8,942 |

Change in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2020 was as follows:

|   | Balance<br>December 31,<br>2019 | Additions    | Reductions    | Balance<br>December 31,<br>2020 | Current<br>Portion |
|---|---------------------------------|--------------|---------------|---------------------------------|--------------------|
| Governmental activities:                      |                                 |              |               |                                 |                    |
| Bonds payable:                                |                                 |              |               |                                 |                    |
| General obligation bonds                      | \$ 23,265,000                   | \$ 6,020,000 | \$ 9,715,000  | \$ 19,570,000                   | \$ 3,585,000       |
| Premium                                       | 995,738                         | 329,140      | 167,747       | 1,071,131                       | 148,951            |
| Discount                                      | (2,437)                         | -            | (812)         | (1,625)                         | (813)              |
| Total bonds payable                           | 24,727,301                      | 6,349,140    | 9,881,935     | 20,699,506                      | 3,733,138          |
| Capital leases payable - direct borrowings    | 207,589                         | 420,000      | 202,005       | 425,584                         | 155,584            |
| KDHE loan payable - direct borrowings         | 64,896                          | -            | 4,906         | 59,990                          | 5,036              |
| Compensated absences                          | 491,346                         | 425,497      | 376,331       | 540,512                         | 362,541            |
| Total other postemployment benefits liability | 920,463                         | 86,888       | 99,448        | 907,903                         | -                  |
| Net pension liability                         | 5,180,970                       | 1,553,512    | -             | 6,734,482                       | -                  |
| Governmental activities long-term liabilities | \$ 31,037,565                   | \$ 8,335,037 | \$ 10,564,625 | \$ 29,307,977                   | \$ 4,226,299       |

For the governmental activities, compensated absences, the total other post-employment benefit liability, and the net pension liability are generally liquidated by the General Fund.

Conduit Debt Obligations

The City has issued industrial revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State of Kansas, nor any political

CITY OF MISSION, KANSAS  
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subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2020, there were two series of industrial revenue bonds outstanding, with an aggregate authorized principal amount of \$ 225,358,589.

| Conduit Debt Obligations as of December 31, 2020 |               |                      |                       |                  |
|--|---------------|----------------------|-----------------------|------------------|
| IRB's  | Issue<br>Date | Amount<br>Authorized | Amount<br>Outstanding | Interest<br>Rate |
| Housing IRB's                                    |               |                      |                       |                  |
| Mission Square                                   | 12/18/09      | \$ 11,100,000        | \$ 8,385,168          | 3.50%            |
| Project IRB's                                    |               |                      |                       |                  |
| Artyeh Realty LLC (Gateway)                      | 10/26/18      | 214,258,589          | 78,500                | 2.00%            |
| Total IRB's                                      |               | \$ 225,358,589       | \$ 8,463,668          |                  |

7 - Capital Leases

The City has entered into lease agreements as a lessee for financing the acquisition of equipment. These lease agreements qualify as capital leases and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

In the lease for police vehicles, the police vehicles are the pledged collateral. In the event of default, the agreement provides that the lessor may request payment of all payments due within that particular budget year that the default occurs (accelerated payment), as well as outstanding payment from past budget years, if any. In the event of default, the lessor may also impose an interest of up to 12% annum on all outstanding payments, take whatever action is available under the law or at equity to collect the debt due or to become due, and collect any legal fees, or otherwise, necessary to carry out this action.

In the lease for exercise equipment, the exercise equipment is the pledged collateral. In the event of default, the agreement provides that the lessor may request payment of all payments due within the budget year that the default occurs (accelerated payment), as well as outstanding payments from past budget years, if any. The agreement also provides that the lessor or the City may terminate the lease after one year, but payment of any outstanding principal for that particular budget year must be paid.

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The assets acquired through these capital leases are as follows:

|                               |            |
|-------------------------------|------------|
| Assets:                       |            |
| Police vehicles               | \$ 347,350 |
| Exercise equipment            | 201,467    |
| Total assets                  | 548,817    |
| Less accumulated depreciation | (236,202)  |
| Net book value                | \$ 312,615 |

Future minimum lease payments for capital leases as of December 31, 2020 are as follows:

| Year Ending<br>December 31, | Principal  | Interest  |
|-----------------------------|------------|-----------|
| 2021                        | \$ 155,584 | \$ 7,563  |
| 2022                        | 105,000    | 4,929     |
| 2023                        | 110,000    | 2,767     |
| 2024                        | 55,000     | 553       |
| Total                       | \$ 425,584 | \$ 15,812 |

8 - Other Postemployment Healthcare Benefits

Health Insurance

Plan Description. Benefits Provided and Contributions. The City offers postemployment health, dental and vision insurance to retired employees. The benefits are provided through a single employer defined benefit postemployment healthcare plan administered by the City. The other postemployment benefit (OPEB) plan (the Plan) provides medical benefits to eligible early retirees and their spouses. K.S.A. 12-5040 requires all local governmental entities in the state that provide a group health care plan to make participation available to all retirees and dependents until the retiree reaches the age of 65 years. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. The Plan does not issue a standalone financial report.

Employer contributions paid for benefits as they came due during the fiscal year ended December 31, 2020 totaled \$ 33,546.

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Employees Covered by Benefit Terms. As of the actuarial valuation date of December 31, 2020, the following employees were covered by the benefit terms.

|  |           |
|--|-----------|
| Inactive employees or beneficiaries currently receiving benefit payments | 5         |
| Active plan members fully eligible                                       | 5         |
| Active employees not yet fully eligible                                  | 59        |
|  | <u>69</u> |

Total OPEB Liability

The City's total OPEB liability of \$ 878,361 was measured as of December 31, 2020 and was determined by an actuarial valuation performed as of December 31, 2020.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

|                                      |  |
|--------------------------------------|--|
| Discount rate as of measurement date | 1.93 percent   |
| Discount rate for OPEB expense       | 3.26 percent   |
| Mortality table                      | Pub-2010 Headcount-Weighted General and Safety<br>Mortality Tables, separately for Employees and Retirees<br>with generational projection according to MP-2020 |
| Salary scale                         | 3.00 percent   |
| Plan participation rate              | 70.00 percent  |
| Healthcare cost trend rates          |  |
| Current rate                         | 5.50 percent   |
| Ultimate rate                        | 4.80 percent   |
| Year ultimate rate is reached        | 2036   |
| Actuarial cost method                | Entry Age Normal - Level Pay   |

The discount rate was based on the S&P Municipal Bond 20-Year High Grade Rate Index as of the measurement date.

The actuarial assumptions were based on the results of the most recent actuarial experience study that was conducted for a period through December 31, 2020.

Changes and items of impact relative to the prior valuation were as follows.

1. The discount rate was updated to reflect the current economic environment.
2. Mortality projection scales were updated based on recent research by the Society of Actuaries.

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3. Per capita claims costs and administrative expenses were updated to reflect the updated underlying census data.
4. Healthcare cost and administrative expense trend rates were updated to reflect current expectations.
5. Termination rates for general employees were updated based on a review of recent experience.
6. Retirement rates were adjusted to reflect the same rates used by KPERS.

Changes in the Total OPEB Liability

|  | Total OPEB Liability |
|--|----------------------|
| Balance at December 31, 2019                       | \$ 894,197           |
| Changes for the year:                              |                      |
| Service cost                                       | 47,552               |
| Interest   | 30,158               |
| Differences between expected and actual experience | (109,521)            |
| Changes in assumptions or other inputs             | 49,521               |
| Benefit payments                                   | (33,546)             |
| Net changes  | (15,836)             |
| Balance at December 31, 2020                       | \$ 878,361           |

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate.* The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

|                      | 1% Decrease<br>(0.93%) | Discount Rate<br>(1.93%) | 1% Increase<br>(2.93%) |
|----------------------|------------------------|--------------------------|------------------------|
| Total OPEB liability | \$ 974,012             | \$ 878,361               | \$ 794,698             |

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates.* The following represents the total OPEB liability of the City as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

|                      | 1% Decrease | Healthcare Cost<br>Trend Rates | 1% Increase |
|----------------------|-------------|--------------------------------|-------------|
| Total OPEB liability | \$ 782,890  | \$ 878,361                     | \$ 990,725  |

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OPEB Expense, Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2020, the City recognized OPEB expense of \$ (105,511).

At December 31, 2020, the City reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

|   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|---|-----------------------------------|----------------------------------|
| Difference between expected and actual experience | \$ 8,410                          | \$ (396,455)                     |
| Changes in assumptions or other inputs            | 40,909                            | (274,755)                        |
|   | <u>\$ 49,319</u>                  | <u>\$ (671,210)</u>              |

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year Ended<br>December 31, |                     |
|----------------------------|---------------------|
| 2021                       | \$ (183,221)        |
| 2022                       | (183,221)           |
| 2023                       | (183,221)           |
| 2024                       | (64,403)            |
| 2025                       | <u>(7,825)</u>      |
|                            | <u>\$ (621,891)</u> |

Disability Benefits and Life Insurance

*Plan Description, Benefits Provided and Contributions.* The City participates in an agent multiple-employer defined benefit other postemployment benefit (OPEB) plan (the Plan) which is administered by the Kansas Public Employees Retirement System (KPERS). The Plan provides long-term disability benefits and a life insurance benefit for disabled members to KPERS members, as provided by K.S.A. 74-04927. The Plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. However, because the trust's assets are used to pay employee benefits other than OPEB, the trust does not meet the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Accordingly, the Plan is considered to be administered on a pay-as-you-go basis.

Employer contributions are established and may be amended by state statute. Members are not required to contribute. Employer contributions paid for benefits as they came due during the fiscal year ended December 31, 2020 totaled \$ 24,824.

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Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability benefits equal to 60 percent (prior to January 1, 2006, 66⅔ percent) of annual compensation, offset by other benefits. Members receiving long-term disability benefits also receive credit towards their KPERS retirement benefits and have their group life insurance coverage continued under the waiver of premium provision.

The monthly long-term disability benefit is 60 percent of the member's monthly compensation, with a minimum of \$ 100 and a maximum of \$ 5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, workers compensation benefits, other disability benefits from any other sources by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while the disability continues until the member's 65<sup>th</sup> birthday or retirement date, whichever occurs first. If the disability begins after age 60, benefits are payable while the disability continues, for a period of five years or until the member retires, whichever occurs first. Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically based mental illnesses are limited to the shorter of the term of the disability or 24 months per lifetime.

The death benefit paid to beneficiaries of disabled members is 150% of the greater of 1) the member's annual rate of compensation at the time of disability, or 2) the members previous 12 months of compensation at the time of the last date on payroll. If the member has been disabled for five or more years, the annual compensation or salary rate at the time of death will be indexed using the consumer price index, less one percentage point, to compute the death benefit. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, the member may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary. If a member retires or disability benefits end, the member may convert the group life insurance coverage to an individual insurance policy.

Employees Covered by Benefit Terms. As of the valuation date of December 31, 2019, the following employees were covered by the benefit terms.

Active plan members

42

Total OPEB Liability

The City's total OPEB liability of \$ 29,542 was measured as of June 30, 2020 and was determined by an actuarial valuation performed as of December 31, 2019.

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NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

Actuarial Assumptions and Other Inputs. The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

|                         |  |
|-------------------------|--|
| Discount rate           | 2.21 percent   |
| Implicit inflation rate | 2.75 percent   |
| Mortality rates         | Local Males: 90% of RP-2014 M Total Dataset +2<br>Local Females: 90% of RP-2014 F Total Dataset +1<br>Generational mortality improvements were projected for future years using MP-2020. |
| Salary increases        | 3.50 percent (composed of 2.75% inflation and 0.75 percent productivity)   |
| Payroll growth          | 3.00 percent   |
| Actuarial cost method   | Entry Age Normal   |

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study conducted for the period January 1, 2016 through December 31, 2018.

Changes and items of impact relative to the prior valuation were as follows.

1. The demographic assumptions have been updated based upon the most recent KPERS experience study.
2. The discount rate was updated in accordance with the requirements of GASB 75.
3. The mortality projection scale was updated to the most recent table published by the Society of Actuaries.

The overall impact of the new assumptions is an increase in the benefit obligations.

CITY OF MISSION, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

Changes in the Total OPEB Liability

|  | Total OPEB<br>Liability |
|--|-------------------------|
| Balance at December 31, 2019                   | \$ 26,266               |
| Changes for the year:                          |                         |
| Service cost                                   | 7,980                   |
| Interest                                       | 1,198                   |
| Effect of economic/demographic gains or losses | (7,128)                 |
| Effect of assumptions changes or inputs        | 1,226                   |
| Net changes                                    | 3,276                   |
| Balance at December 31, 2020                   | \$ 29,542               |

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

|                      | 1% Decrease<br>(1.21%) | Discount Rate<br>(2.21%) | 1% Increase<br>(3.21%) |
|----------------------|------------------------|--------------------------|------------------------|
| Total OPEB liability | \$ 29,773              | \$ 29,542                | \$ 29,028              |

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following represents the total OPEB liability of the City as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

|                      | 1% Decrease | Healthcare Cost<br>Trend Rates | 1% Increase |
|----------------------|-------------|--------------------------------|-------------|
| Total OPEB liability | \$ 29,542   | \$ 29,542                      | \$ 29,542   |

CITY OF MISSION, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

OPEB Expense, Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2020, the City recognized OPEB expense of \$ 5,791. At December 31, 2020, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

|   | Deferred<br>Outflows<br>of Resources | Deferred<br>Inflows<br>of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience  | \$ -                                 | \$ (26,347)                         |
| Changes of assumptions                              | 1,361                                | (694)                               |
| Benefit payments subsequent to the measurement date | 12,325                               | -                                   |
|   | \$ 13,686                            | \$ (27,041)                         |

The deferred outflow of resources related to the benefit payments subsequent to the measurement date totaling \$ 12,325 consists of payments made to KPERS for benefits and administrative costs and will be recognized as a reduction in the total OPEB liability during the year ended December 31, 2021. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year Ended<br>December 31, |             |
|----------------------------|-------------|
| 2021                       | \$ (3,387)  |
| 2022                       | (3,387)     |
| 2023                       | (3,387)     |
| 2024                       | (3,387)     |
| 2025                       | (3,387)     |
| Thereafter                 | (8,745)     |
|                            | \$ (25,680) |

Aggregate Other Postemployment Healthcare Benefit Information

|                                      | Balances at December 31, 2020 |   |            |
|--------------------------------------|-------------------------------|---|------------|
|                                      | Health Insurance              | Disability Benefits<br>and Life Insurance | Total      |
| Total OPEB liability                 | \$ 878,361                    | \$ 29,542                                 | \$ 907,903 |
| Total deferred outflows of resources | 49,319                        | 13,686                                    | 63,005     |
| Total deferred inflows of resources  | (671,210)                     | (27,041)                                  | (698,251)  |



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The aggregate amount of OPEB expenses for the two OPEB plans for the year ended December 31, 2020 was \$ (99,720).

9 - Defined Benefit Pension Plan

General Information About the Pension Plan

*Description of Pension Plan*

The City participates in a cost-sharing, multiple-employer defined benefit pension plan (Pension Plan), as defined in Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans*. The Pension Plan is administered by the Kansas Public Employees Retirement System (KPERS), a body corporate and an instrumentality of the State of Kansas. KPERS provides benefit provisions to the following statewide pension groups under one plan, as provided by K.S.A. 74, article 49:

- Public employees, which include:
  - State/school employees
  - Local employees
  - Police and firemen
  - Judges

Substantially all public employees in Kansas are covered by the Pension Plan. Participation by local political subdivisions is optional, but irrevocable once elected.

Those employees participating in the Pension Plan for the City are included in both the Local and Police and Firemen employee groups.

KPERS issues a stand-alone comprehensive annual financial report, which is available on the KPERS website at [www.kpers.org](http://www.kpers.org).

*Benefits Provided*

KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Benefits are established by statute and may only be changed by the Kansas Legislature. Member employees (except police and firemen) with ten or more years of credited service may retire as early as age 55 (police and firemen may be age 50 with 20 years of credited service), with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever an employee's combined age and years of credited service equal 85 points (police and firemen normal retirement ages are age 60 with 15 years of credited service, age 55 with 20 years, age 50 with 25 years, or any age with 36 years of service).

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, member employees may withdraw their contributions from their individual accounts, including interest. Member employees who withdraw their accumulated contributions lose all rights and privileges of membership. For all pension coverage groups, the accumulated

CITY OF MISSION, KANSAS  
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(Continued)

contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by K.S.A. 74-4922.

Member employees choose one of seven payment options for their monthly retirement benefits. At retirement, a member employee may receive a lump-sum payment of up to 50% of the actuarial present value of the member employee's lifetime benefit. His or her monthly retirement benefit is then permanently reduced based on the amount of the lump sum. Benefit increases, including ad hoc post-retirement benefit increases, must be passed into law by the Kansas Legislature. Benefit increases are under the authority of the Legislature and the Governor of the State of Kansas.

The 2012 Legislature made changes affecting new hires, current members, and employers. A new KPERS 3 cash balance retirement plan was created for new hires starting January 1, 2015. Normal retirement age for KPERS 3 members is 65 with five years of service or 60 with 30 years of service. Early retirement is available at age 55 with ten years of service, with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

For all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

*Contributions*

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6.00% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. K.S.A. 74-4975 establishes the Police and Firemen (KP&F) member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates are determined based on the results of an annual actuarial valuation for each of the three state-wide pension groups. The contributions and assets of all groups are deposited in the Kansas Public Employees Retirement Fund established by K.S.A. 74-4921. KPERS is funded on an actuarial reserve basis.

For KPERS fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.2% of total payroll for the KPERS fiscal year ended June 30, 2020.

The actuarially determined employer contribution rate (not including the 1.00% contribution rate for the Death and Disability Program) and the statutory contribution rate were 8.61% for KPERS and 21.93% for KP&F for the year ended December 31, 2020. Contributions to the Pension Plan from the City were \$ 242,655 for KPERS and \$ 417,037 for KP&F for the year ended December 31, 2020.

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(Continued)

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2020, the City reported a liability of \$ 2,362,346 for KPERS and \$ 4,372,136 for KP&F for its proportionate share of the KPERS collective net pension liability. The collective net pension liability was measured by KPERS as of June 30, 2020, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2020.

Although KPERS administers one cost-sharing, multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each of the following groups of the plan:

- State/School
- Local
- Police and Firemen
- Judges

To facilitate the separate (sub) actuarial valuations, KPERS maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedules of pension amounts by employer and nonemployer. The City's proportion of the collective net pension liability was based on the ratio of the City's actual contributions to KPERS and KP&F, relative to the total employer and nonemployer contributions of the Local group and Police and Firemen group within KPERS for the KPERS fiscal year ended June 30, 2020.

The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2020, the City's proportion for KPERS was 136264%, which was an increase of .024285% from its proportion measured as of June 30, 2019. At June 30, 2020, the City's proportion for KP&F was .354554%, which was a decrease of .002736% from its proportion measured as of June 30, 2019.

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For the year ended December 31, 2020, the City recognized pension expense of \$ 338,296 for KPERS and \$ 711,013 for KP&F. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|--|-----------------------------------|----------------------------------|
| <b>KPERS</b>   |                                   |                                  |
| Differences between expected and actual experience                               | \$ 39,444                         | \$ 30,371                        |
| Net difference between projected and actual earnings on pension plan investments | 275,627                           | -                                |
| Changes of assumptions   | 142,292                           | -                                |
| Changes in proportionate share   | 275,535                           | 79,353                           |
| City contributions subsequent to measurement date                                | 119,955                           | -                                |
| <b>Total KPERS</b>   | <b>852,853</b>                    | <b>109,724</b>                   |
| <b>KP&amp;F</b>  |                                   |                                  |
| Differences between expected and actual experience                               | 127,795                           | -                                |
| Net difference between projected and actual earnings on pension plan investments | 424,858                           | -                                |
| Changes of assumptions   | 302,651                           | -                                |
| Changes in proportionate share   | 70,085                            | 71,470                           |
| City contributions subsequent to measurement date                                | 202,854                           | -                                |
| <b>Total KP&amp;F</b>  | <b>1,128,243</b>                  | <b>71,470</b>                    |
| <b>Total</b>   | <b>\$ 1,981,096</b>               | <b>\$ 181,194</b>                |



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(Continued)

The \$ 119,955 and \$ 202,854 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for KPERS and KP&F, respectively, for the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended<br>June 30, |              |
|------------------------|--------------|
| <b>KPERS</b>           |              |
| 2021                   | \$ 128,105   |
| 2022                   | 159,193      |
| 2023                   | 158,192      |
| 2024                   | 165,706      |
| 2025                   | 11,978       |
|                        | <hr/>        |
| Total KPERS            | 623,174      |
| <b>KP&amp;F</b>        |              |
| 2021                   | 232,659      |
| 2022                   | 235,896      |
| 2023                   | 218,266      |
| 2024                   | 160,939      |
| 2025                   | 6,159        |
|                        | <hr/>        |
| Total KP&F             | 853,919      |
|                        | <hr/>        |
|                        | \$ 1,477,093 |
|                        | <hr/>        |

*Actuarial Assumptions*

The total pension liability for KPERS in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|  |                       |
|--|-----------------------|
| Price inflation  | 2.75 percent          |
| Salary increases, including price inflation  | 3.25 to 11.75 percent |
| Long-term rate of return, net of investment expense, and including price inflation | 7.50 percent          |
| Payroll growth assumption  | 2.75 percent          |

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NOTES TO BASIC FINANCIAL STATEMENTS  
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Changes in actuarial assumptions and methods in the December 31, 2019 actuarial valuation were as follows:

**Both Groups**

- Investment return assumption was lowered from 7.75% to 7.50%.
- General wage growth assumption was lowered from 3.50% to 3.25%.
- Payroll growth assumption was lowered from 3.00% to 2.75%.

**KPERS**

- Retirement rates were adjusted to partially reflect observed experience.
- Termination rates were increased for most KPERS groups.
- Disability rates were reduced.
- Factors for the State group that are used to anticipate higher liabilities due to higher final average salary at retirement for pre-1993 hires were modified to better reflect actual experience.
- The administrative expense load for contribution rates was increased from 0.16% to 0.18%.

**KP&F**

- Retirement rates were adjusted to partially reflect observed experience.
- Factors for the KP&F group that are used to anticipate higher liabilities due to higher final average salary at retirement for pre-1993 hires were modified to better reflect actual experience.
- The administrative expense load for contribution rates was increased from 0.16% to 0.18%.

Mortality rates were based on the RP 2014 Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2016. Different adjustments apply to pre-retirement versus post-retirement disability mortality tables.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study, which covered the three-year period of January 1, 2016 through December 31, 2018. The experience study is dated January 7, 2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. Best estimates of arithmetic real rates of return for each major asset class included in the Pension Plan's target asset allocations as of June 30, 2020 are summarized in the following table:

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| Asset Class          | Target Allocation | Long-Term Expected<br>Real Rate of Return |
|----------------------|-------------------|---|
| U.S. Equities        | 23.50%            | 5.20%                                     |
| Non-U.S. Equities    | 23.50%            | 6.40%                                     |
| Private Equity       | 8.00%             | 9.50%                                     |
| Private Real Estate  | 11.00%            | 4.45%                                     |
| Yield Driven         | 8.00%             | 4.70%                                     |
| Real Return          | 11.00%            | 3.25%                                     |
| Fixed Income         | 11.00%            | 1.55%                                     |
| Cash                 | 4.00%             | 0.25%                                     |
| Total                | 100.00%           |   |
| <i>Discount Rate</i> |                   |   |

The discount rate used by KPERS to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. The local employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993, the employer contribution rates certified by the KPERS Board of Trustees for this group may not increase by more than the statutory cap. The expected KPERS employer statutory contribution was modeled for future years, assuming all actuarial assumptions are met in future years. Based on those assumptions, the Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the City's Proportionate Share of the Collective Net Pension Liability to Changes in the Discount Rate*

The following presents the City's proportionate share of the collective net pension liability calculated using the discount rate of 7.50%, as well as what the City's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

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|   | 1% Decrease<br>(6.50%) | Current<br>Discount Rate<br>(7.50%) | 1% Increase<br>(8.50%) |
|---|------------------------|-------------------------------------|------------------------|
| City's KPERS proportionate share of<br>the collective net pension liability | \$ 3,324,767           | \$ 2,362,346                        | \$ 1,553,202           |
| City's KP&F proportionate share of<br>the collective net pension liability  | 5,984,109              | 4,372,136                           | 3,025,909              |
|   | <u>\$ 9,308,876</u>    | <u>\$ 6,734,482</u>                 | <u>\$ 4,579,111</u>    |

*Pension Plan Fiduciary Net Position*

Detailed information about the Pension Plan's fiduciary net position is available in the separately issued KPERS financial report.

10 - Defined Contribution Plan

The City has established the City of Mission Money Purchase Plan, administered by the Principal Financial Group, available to employees other than those participating in KP&F. The City Council established and amends benefit provisions. Employees age 21 or older are eligible to participate after completing 1,000 or more hours of service. The City's contributions for each employee are 60% vested after five years of service and vest an additional 20% each year thereafter. The City makes annual contributions to the plan equal to 2% of covered employees' wages. Employees under the plan can make contributions to the plan of up to 10% of their wages. City and employee contributions for 2020 were \$ 41,496 and \$ 36,987, respectively.

11 - Special Assessments

In January 2015, the City passed Ordinance Number 1419 establishing the Gateway Special Benefit District and levying special assessments on certain property to pay the costs of internal improvements and providing for the collection of such special assessments in 20 annual installments. Special assessment taxes levied are a lien on the property and are recorded as special assessments receivable in the Stormwater Fund with a corresponding amount recorded as deferred inflows. Special assessments receivable at December 31, 2020, in the fund financial statements totaled \$ 8,993,936.

12 - Risk Management

The City is exposed to various risks of loss related to torts; damage to and destruction of assets; business interruptions; errors and omissions; employee injuries and illness; natural disasters and employee health, dental and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years. There have not been significant reductions in coverage from prior years.

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NOTES TO BASIC FINANCIAL STATEMENTS  
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13 - Interfund Transfers

Transfers by fund for the year ended December 31, 2020 were as follows:

| Transfers out         | Transfers in |             |                     | Total        |
|-----------------------|--------------|-------------|---------------------|--------------|
|                       | Stormwater   | Solid Waste | Capital Improvement |              |
| General               | \$ -         | \$ 85,000   | \$ 1,032,107        | \$ 1,117,107 |
| Stormwater            | -            | -           | 283,575             | 283,575      |
| Nonmajor governmental | 88,000       | -           | -                   | 88,000       |
|                       | \$ 88,000    | \$ 85,000   | \$ 1,315,682        | \$ 1,488,682 |

The City uses interfund transfers to share costs between funds.

14 - Amounts Due to and from Other Funds

As of December 31, 2020, the City had \$ 774 due from the General Fund to the Mission Farm and Flower Market fund and \$ 23,295 due from the Solid Waste Fund to the General Fund.

15 - Tax Abatements

The City has utilized a number of economic development incentives that are authorized under Kansas state statutes including constitutional tax abatements [K.S.A. 79-201a]; industrial revenue bonds (IRBs) [K.S.A. 12-1740 et seq]; tax increment financing (TIF) [K.S.A. 12-1770 et seq]; and community improvement district (CID) [K.S.A. 12-6a26 et seq]. Application of these incentives is further clarified by specific City Council policies.

Consideration of any incentive begins with the submittal of an application (including fee) to the City. After an initial review by City staff, the City will enter into a pre-development agreement with the applicant that outlines the scope of the project and commitments, process for due diligence review and cost benefit analysis, and any obligation on the part of the applicant to reimburse the City for costs it may incur in performing the review and/or negotiating an agreement. The City Council ultimately approves the use of any incentive by ordinances and in conformance with the provisions of the applicable state statutes.

This note provides information on current economic development projects that the City has undertaken utilizing these tools. Many projects use more than one tool, and many incorporate some form of tax abatement.

**Tax Increment Financing (TIF):** The Kansas TIF Act (K.S.A. 12-1770 et seq) authorizes the use of TIF by cities and counties to aid in the financing of private development projects that will provide substantial public benefit such as job creation/retention, elimination of blight, or needed public improvements. City Council Policy 106 provides further guidance on the use of TIF by the City.

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TIF permits the City to capture the additional (increment) property tax and sales tax for all tax jurisdictions that is generated from new development that is above the original (base) property and sales tax that existed prior to the new development occurring. The incremental property and sales tax collected by the City is used to reimburse the developer for certain eligible costs associated with the development, while the base property and sales tax continues to be collected by the various tax jurisdictions. The use of TIF is limited to 20 years for each development project.

The use of TIF begins first with the establishment of a TIF district. A study must be submitted to the City demonstrating how the property within a clearly defined area meets one or more of the criteria outlined in the TIF Act that would give cause for the use of TIF. The study is evaluated by City staff and public hearing held to take testimony on the study. Notice of the public hearing is given to the school board and the board of county commissioners. Each has the right to submit an objection to the creation of the district. If there is no objection, and the Council finds the testimony to be compelling, it may then establish the TIF district by ordinance.

Once the TIF district is established, a developer and/or property owner may submit a Project Plan to the City with details for a proposed development project within the district. The project plan outlines how the proposed development project will address the underlying concerns that led to the creation of the TIF district, and how TIF is to be used in assisting with the proposed development project. Staff will evaluate the merits and cost-benefit of the Project Plan before submitting to the City Council for consideration. Again, a public hearing is set to take testimony on the Project Plan and notice of such is sent to the school board and board of county commissioners. If the Project Plan is approved a redevelopment agreement will be adopted by the City Council as well specifying the performance standards for the development project, what costs are to be reimbursed, and requirements for such.

The City establishes individual funds for each TIF Project Plan that is adopted in order to track the property and sales tax collected and reimbursed back to the developer. The funds are shown in the other supplementary section of this comprehensive annual financial report. For the fiscal year ending December 31, 2020, the City applied incremental revenues to TIF projects as follows:

|                        |   |
|------------------------|---|
| Project Name:          | Gateway   |
| Project Description:   | 555,000 sq. ft. mix-used redevelopment of the former Mission Mall site. Project to include 168 apartment units, 200+ room hotel, 4-story office building, food hall, movie-entertainment complex, and general retail. |
| Base Year:             | 2006  |
| Approved TIF:          | 100% ad valorem property tax increment, 55% sales tax increment, and 8% of the total 9% of the transient guest tax generated by the project.  |
| 2020 Total Abatement:  | \$0   |
| Commitment:            | Mixed-use project at the City's eastern gateway.  |
| Additional Commitment: | The City has committed to issuing special obligation bonds to be paid from the TIF proceeds.  |

CITY OF MISSION, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

|                       |  |
|-----------------------|--|
| Project Name:         | Mission Crossing   |
| Project Description:  | 116,000 sq ft. mixed-use development project consisting of two, stand-alone restaurants, small strip shopping center, and a three-story apartment complex for independent senior living.           |
| Base Year:            | 2010   |
| Approved TIF:         | 100% ad valorem property tax increment and sales tax increment   |
| 2020 Total Abatement: | \$232,899  |
| Project Commitment:   | Development mixed-use project in conformance with the City's Formed Based Code and a small public park.  |
| Project Name:         | Silvercrest at Broadmoor   |
| Project Description:  | Development of an assisted living and memory care facility. The developer withdrew the project application after the creation of the TIF district. The district is still generating tax increment. |
| Base Year:            | 2017   |
| Approved TIF:         | 100% ad valorem property tax increment   |
| 2020 Total Abatement: | \$2,694  |
| Project Commitment:   | Redevelopment of an unused parcel of property into a project in conformance with the City's Formed Based Code.   |
| Project Name:         | Mission Trails   |
| Project Description:  | Development of a five-story, 201-unit apartment building and four-level parking structure in the City's downtown.  |
| Base Year:            | 2017   |
| Approved TIF:         | 100% ad valorem property tax increment   |
| 2020 Total Abatement: | \$143,019  |
| Commitment:           | Mixed-use project in the City's downtown, public parking easement on the first level of the parking structure and payment of \$250,000 for additional public parking in the downtown.              |

As of December 31, 2020, there are two issues of industrial revenue bonds (IRBs) outstanding – Mission Square (\$8,385,168) and Gateway (\$78,500). Both have been issued for sales tax exemption on materials and labor.

16 - Commitments and Contingencies – Encumbrances

The City uses encumbrances to control expenditure commitments for the year and to enhance cash management. Encumbrances represent commitments related to executory contracts not yet performed and purchase orders not yet filled. Commitments for such expenditure of monies are encumbered to reserve a portion of applicable appropriations. Encumbrances still open at year end are not accounted for as

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CITY OF MISSION, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

expenditures and liabilities, but, rather, as restricted, committed, or assigned fund balance. At December 31, 2020, the City's recorded encumbrances in governmental funds were as follows:

|  |                     |
|--|---------------------|
| General fund                           | \$ 112,835          |
| Stormwater                             | 1,130,724           |
| Equipment reserve and replacement fund | 199,280             |
|  | <u>\$ 1,442,839</u> |

17 - Commitments and Contingencies – Pandemic

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and, on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the City operates. On March 27, 2020, the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act) was enacted to, amongst other provisions, provide emergency assistance for individuals, families and businesses affected by the pandemic.

It is unknown how long the adverse conditions associated with the pandemic will last and what the complete financial effect will be to the City. While management cannot quantify the financial and other impacts to the City, management believes that a material impact on the City's financial position and results of future operations is reasonably possible.

18 - Subsequent Events

The City has evaluated subsequent events through the date of the independent auditors' report, which is the date the financial statements are available to be issued.

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CITY OF MISSION, KANSAS  
Schedule of Changes in the City's Total OPEB Liability and Related Ratios - Health Insurance  
Last Three Fiscal Years<sup>1</sup>

|  | 2020              | 2019              | 2018                |
|--|-------------------|-------------------|---------------------|
| Total OPEB liability:  |                   |                   |                     |
| Service cost   | \$ 47,552         | \$ 61,739         | \$ 71,671           |
| Interest cost  | 30,158            | 44,703            | 57,439              |
| Difference between expected and actual experience              | (109,521)         | 12,768            | (610,943)           |
| Changes in assumptions and other inputs                        | 49,521            | (372,880)         | (58,177)            |
| Benefit payments   | (33,546)          | (36,663)          | (42,597)            |
| Net change in total OPEB liability                             | (15,836)          | (290,333)         | (582,607)           |
| Total OPEB liability, beginning                                | 894,197           | 1,184,530         | 1,767,137           |
| Total OPEB liability, ending                                   | <u>\$ 878,361</u> | <u>\$ 894,197</u> | <u>\$ 1,184,530</u> |
| Covered payroll  | \$ 5,068,014      | \$ 4,319,077      | \$ 3,602,521        |
| City's total OPEB liability as a percentage of covered payroll | 17.3%             | 20.7%             | 32.9%               |

<sup>1</sup>GASB 75 requires the presentation of 10 years. Data was not available prior to fiscal year 2018. Therefore, 10 years of data is unavailable.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MISSION, KANSAS  
Schedule of Changes in the City's Total OPEB Liability and Related Ratios -  
Disability Benefits and Life Insurance  
Last Three Fiscal Years<sup>1</sup>

|  | 2020             | 2019             | 2018             |
|--|------------------|------------------|------------------|
| Total OPEB liability:  |                  |                  |                  |
| Service cost   | \$ 7,980         | \$ 8,821         | \$ 8,723         |
| Interest on total OPEB liability                               | 1,198            | 1,598            | 1,458            |
| Effect of economic/demographic gains or losses                 | (7,128)          | (16,954)         | (9,371)          |
| Effect of assumptions changes or inputs                        | 1,226            | 327              | (352)            |
| Net change in total OPEB liability                             | 3,276            | (6,208)          | 458              |
| Total OPEB liability, beginning                                | 26,266           | 32,474           | 32,016           |
| Total OPEB liability, ending                                   | <u>\$ 29,542</u> | <u>\$ 26,266</u> | <u>\$ 32,474</u> |
| Covered payroll  | \$ 2,323,164     | \$ 1,821,013     | \$ 2,095,328     |
| City's total OPEB liability as a percentage of covered payroll | 1.27%            | 1.44%            | 1.55%            |

<sup>1</sup> GASB 75 requires the presentation of 10 years. Data was not available prior to fiscal year 2018. Therefore, 10 years of data is unavailable.

CITY OF MISSION, KANSAS  
Schedule of City's Proportionate Share of the Collective Net Pension Liability  
Kansas Public Employees Retirement System  
Last Six Fiscal Years<sup>1</sup>

|  | 2020         |                    | 2019         |                    | 2018         |                    | 2017         |                    | 2016         |                    | 2015         |                    |
|--|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|
|  | Local        | Police and Firemen | Local        | Police and Firemen | Local        | Police and Firemen | Local        | Police and Firemen | Local        | Police and Firemen | Local        | Police and Firemen |
| City's proportion of the collective net pension liability                                      | 0.136%       | 0.355%             | 0.122%       | 0.357%             | 0.121%       | 0.345%             | 0.119%       | 0.360%             | 0.121%       | 0.357%             | 0.121%       | 0.354%             |
| City's proportionate share of the net pension liability  | \$ 2,402,346 | \$ 4,372,136       | \$ 1,544,764 | \$ 3,616,206       | \$ 1,685,259 | \$ 3,320,799       | \$ 1,725,733 | \$ 3,377,855       | \$ 1,870,018 | \$ 3,319,196       | \$ 1,884,416 | \$ 2,969,469       |
| City's covered payroll <sup>2</sup>  | \$ 2,507,664 | \$ 1,949,884       | \$ 2,075,917 | \$ 1,919,377       | \$ 2,164,266 | \$ 1,786,086       | \$ 2,113,273 | \$ 1,799,123       | \$ 2,048,888 | \$ 1,796,206       | \$ 2,047,740 | \$ 1,611,534       |
| City's proportionate share of the net pension liability as a percentage of its covered payroll | 94.23%       | 221.93%            | 75.38%       | 188.41%            | 77.87%       | 185.93%            | 81.66%       | 187.59%            | 91.27%       | 184.79%            | 77.57%       | 159.24%            |
| Plan fiduciary net position as a percentage of the total pension liability                     | 70.77%       | 66.81%             | 75.02%       | 71.22%             | 74.22%       | 71.53%             | 72.15%       | 70.99%             | 64.55%       | 69.30%             | 71.98%       | 74.60%             |

<sup>1</sup> GASB 68 requires the presentation of 10 years. Data was not available prior to fiscal year 2015. Therefore, 10 years of data is unavailable.

<sup>2</sup> Covered payroll corresponds to the measurement date for the year ended June 30.

CITY OF MISSION, KANSAS  
Schedule of City's Contributions  
Kansas Public Employees Retirement System  
Last Six Fiscal Years

|   | 2020         |                    | 2019         |                    | 2018         |                    | 2017         |                    | 2016         |                    | 2015         |                    |
|---|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|
|   | Local        | Police and Firemen | Local        | Police and Firemen | Local        | Police and Firemen | Local        | Police and Firemen | Local        | Police and Firemen | Local        | Police and Firemen |
| Contractually required contribution                                 | \$ 242,655   | \$ 417,037         | \$ 226,244   | \$ 402,079         | \$ 199,116   | \$ 373,428         | \$ 175,703   | \$ 326,539         | \$ 194,456   | \$ 362,921         | \$ 194,783   | \$ 351,871         |
| Contribution in relation to the contractually required contribution | \$ -         | \$ -               | \$ -         | \$ -               | \$ -         | \$ -               | \$ -         | \$ -               | \$ -         | \$ -               | \$ -         | \$ -               |
| Contribution deficiency (excess)                                    | \$ -         | \$ -               | \$ -         | \$ -               | \$ -         | \$ -               | \$ -         | \$ -               | \$ -         | \$ -               | \$ -         | \$ -               |
| City's covered payroll  | \$ 2,482,442 | \$ 1,901,842       | \$ 2,309,138 | \$ 1,964,501       | \$ 2,155,668 | \$ 1,876,016       | \$ 2,076,861 | \$ 1,715,917       | \$ 2,118,261 | \$ 1,777,281       | \$ 2,054,675 | \$ 1,647,336       |
| Contribution as a percentage of covered payroll                     | 9.77%        | 21.93%             | 9.80%        | 22.11%             | 9.24%        | 19.91%             | 8.46%        | 19.03%             | 9.18%        | 20.42%             | 9.48%        | 21.36%             |

\* GASB 68 requires the presentation of 10 years. Data was not available prior to fiscal year 2015. Therefore, 10 years of data is unavailable.

CITY OF MISSION, KANSAS  
COMBINING BALANCE SHEET  
GENERAL FUND  
December 31, 2020

|  | General             | Municipal<br>Court | Total               |
|--|---------------------|--------------------|---------------------|
| <b>Assets:</b>   |                     |                    |                     |
| Cash and investments   | \$ 4,199,439        | \$ -               | \$ 4,199,439        |
| Restricted cash and investments  | -                   | 36,121             | 36,121              |
| <b>Receivables:</b>  |                     |                    |                     |
| Taxes  | 3,984,446           | -                  | 3,984,446           |
| Due from other funds   | 23,295              | -                  | 23,295              |
| Other  | 118,456             | -                  | 118,456             |
| Land held for resale   | 100,000             | -                  | 100,000             |
| <b>Total assets</b>  | <b>\$ 8,425,636</b> | <b>\$ 36,121</b>   | <b>\$ 8,461,757</b> |
| <b>Liabilities, deferred inflows of resources, and fund balances:</b>      |                     |                    |                     |
| <b>Liabilities:</b>  |                     |                    |                     |
| Accounts payable   | \$ 211,838          | \$ -               | \$ 211,838          |
| Accrued liabilities  | 195,525             | -                  | 195,525             |
| Due to other funds   | 774                 | -                  | 774                 |
| <b>Payable from restricted assets:</b>                                     |                     |                    |                     |
| Municipal court bonds  | -                   | 36,121             | 36,121              |
| Unearned revenue   | 28,400              | -                  | 28,400              |
| <b>Total liabilities</b>   | <b>436,537</b>      | <b>36,121</b>      | <b>472,658</b>      |
| <b>Deferred inflows of resources:</b>                                      |                     |                    |                     |
| Unavailable revenue - property taxes                                       | 2,940,512           | -                  | 2,940,512           |
| <b>Fund balances:</b>  |                     |                    |                     |
| Committed  | 184,404             | -                  | 184,404             |
| Assigned   | 428,835             | -                  | 428,835             |
| Unassigned   | 4,435,348           | -                  | 4,435,348           |
| <b>Total fund balances</b>   | <b>5,048,587</b>    | <b>-</b>           | <b>5,048,587</b>    |
| <b>Total liabilities, deferred inflows of resources, and fund balances</b> | <b>\$ 8,425,636</b> | <b>\$ 36,121</b>   | <b>\$ 8,461,757</b> |

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CITY OF MISSION, KANSAS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GENERAL FUND  
Year Ended December 31, 2020

|   | General             | Municipal<br>Court | Total               |
|---|---------------------|--------------------|---------------------|
| <b>Revenues:</b>                            |                     |                    |                     |
| Taxes                                       | \$ 9,243,775        | \$ -               | \$ 9,243,775        |
| Intergovernmental                           | 79,553              | -                  | 79,553              |
| Licenses and permits                        | 155,331             | -                  | 155,331             |
| Charges for services                        | 657,528             | -                  | 657,528             |
| Fines and fees                              | 793,465             | -                  | 793,465             |
| Interest                                    | 13,067              | -                  | 13,067              |
| Miscellaneous                               | 672,904             | -                  | 672,904             |
| <b>Total revenues</b>                       | <b>11,615,623</b>   | <b>-</b>           | <b>11,615,623</b>   |
| <b>Expenditures:</b>                        |                     |                    |                     |
| <b>Current:</b>                             |                     |                    |                     |
| General government                          | 2,383,991           | -                  | 2,383,991           |
| Public safety                               | 3,827,951           | -                  | 3,827,951           |
| Public works                                | 2,004,228           | -                  | 2,004,228           |
| Culture and recreation                      | 2,122,427           | -                  | 2,122,427           |
| Capital outlay                              | 924,445             | -                  | 924,445             |
| Debt service:                               |                     |                    |                     |
| Principal                                   | 206,535             | -                  | 206,535             |
| Interest and other charges                  | 13,190              | -                  | 13,190              |
| <b>Total expenditures</b>                   | <b>11,482,767</b>   | <b>-</b>           | <b>11,482,767</b>   |
| <b>Excess of revenues over expenditures</b> | <b>132,856</b>      | <b>-</b>           | <b>132,856</b>      |
| <b>Other financing sources (uses):</b>      |                     |                    |                     |
| Transfers out                               | (1,117,107)         | -                  | (1,117,107)         |
| Leases (as lessee)                          | 420,000             | -                  | 420,000             |
| <b>Total other financing sources (uses)</b> | <b>(697,107)</b>    | <b>-</b>           | <b>(697,107)</b>    |
| <b>Net change in fund balances</b>          | <b>(564,251)</b>    | <b>-</b>           | <b>(564,251)</b>    |
| <b>Fund balances, beginning</b>             | <b>5,612,838</b>    | <b>-</b>           | <b>5,612,838</b>    |
| <b>Fund balances, ending</b>                | <b>\$ 5,048,587</b> | <b>\$ -</b>        | <b>\$ 5,048,587</b> |

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CITY OF MISSION, KANSAS  
NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

1. **Special Alcohol Fund** – established to account for one-third of the Alcohol Tax Funds sent to the City quarterly from the State Treasurer's office, and to disperse monies that are allocated yearly for distribution to agencies that are approved by the City Council in specified amounts on a yearly basis.
2. **Special Parks and Recreation Fund** – established to account for one-third of the Alcohol Tax Funds that are sent to the City quarterly by the State Treasurer's office which are computed in compliance with K.S.A. Supp. 79-41A04 et seq., representing tax receipts and adjustments processed by the Department of Revenue.
3. **Special Law Enforcement Fund** – established to provide a depository for monies forfeited to the police department pursuant to provisions of K.S.A. 65-4135 and 65-4156 relating to controlled substance investigation forfeitures. Expenditures from this fund are made only for authorized law enforcement purposes of the police department. Monies in the fund are not to be used for normal operating expenses of the City's police department.
4. **Special Highway Fund** – established to account for monies sent quarterly from the State Treasurer's office which are the Special City and County Highway Fund distributed and computed in compliance with K.S.A. 79-3425C.
5. **School District Sales Tax Fund** – established to account for the City's portion of sales tax monies received as a result of a ½ cent sales tax granted to schools by Johnson County voters in 2002. The sales tax is no longer being collected.
6. **Mission Convention and Visitors Bureau Fund** – established to account for transient guest tax receipts.
7. **Donations and Gifts Fund** – established to account for donations and gifts from businesses, groups and individuals.
8. **Rock Creek Drainage District #1 Fund** – established to account for the Rock Creek Drainage District #1.
9. **Rock Creek Drainage District #2 Fund** – established to account for the Rock Creek Drainage District #2.
10. **Mission Crossing TIF Fund** – established to account for the property tax and sales tax that is generated from the development of the Mission Crossing Shopping Center and Welstone senior independent living facility. These taxes are remitted back to the developer to reimburse for certain eligible costs associated with the development in accordance with K.S.A. 12-1770 (Tax Increment Finance Statutes) and K.S.A. 12-6a26 (Community Improvement District Act).
11. **Silvercrest TIF Fund** – established to account for the property tax and sales tax that is generated from the Silvercrest at Broadmoor redevelopment district. These taxes are remitted back to the developer to reimburse for certain eligible costs associated with the development in accordance with K.S.A. 12-1770 (Tax Increment Finance Statutes) and K.S.A. 12-6a26 (Community Improvement District Act).

CITY OF MISSION, KANSAS  
NONMAJOR GOVERNMENTAL FUNDS  
(Continued)

12. **Cornerstone Commons CID Fund** – established to account for a 1% Community Improvement District (CID) sales tax that is generated from retailers located within the Cornerstone Commons CID. This sales tax is remitted back to the developer to reimburse for certain eligible costs associated with the development in accordance with K.S.A. 12-6a26 (Community Improvement District Act).
13. **Mission Trail TIF Fund** – established to account for new (or incremental) property tax generated from the redevelopment of a parcel of property at 6201 Johnson Drive. The redevelopment consisted of the demolition of a two-story office building constructed on the parcel in the 1960s and construction of a new, five-story multi-family housing development. The development includes 201 studio, one- and two-bedroom apartment units and a four-level parking structure with 285 spaces. The incremental property tax is remitted back to the developer to reimburse for certain eligible costs associated with the development in accordance with K.S.A. 12-770 (Tax Increment Finance Statutes).
14. **Transportation Utility Fund** – established to account for the transportation utility charges received based on an estimated land use formula per parcel to fund street and other transportation related improvements.
15. **Mission Farm and Flower Market Fund** – established to account for the Mission Farm and Flower Market.

CAPITAL PROJECTS FUND

1. **Equipment Reserve and Replacement Fund** – established to account for reserves and funding for major capital equipment purchase, upgrades, and replacements.

CITY OF MISSION, KANSAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
December 31, 2020

|   | Special Revenue Funds |                              |                         |                 |                           |  |
|---|-----------------------|------------------------------|-------------------------|-----------------|---------------------------|--|
|   | Special Alcohol       | Special Parks and Recreation | Special Law Enforcement | Special Highway | School District Sales Tax | Mission Convention and Visitors Bureau |
| Assets:   |                       |                              |                         |                 |                           |  |
| Cash and investments  | \$ 117,035            | \$ 106,365                   | \$ 18,038               | \$ 358,189      | \$ 18,163                 | \$ 68,080                              |
| Receivables:  |                       |                              |                         |                 |                           |  |
| Taxes   | -                     | -                            | -                       | -               | -                         | -                                      |
| Due from other funds  | -                     | -                            | -                       | -               | -                         | -                                      |
| Other   | -                     | -                            | -                       | 65,109          | -                         | -                                      |
| Total assets  | \$ 117,035            | \$ 106,365                   | \$ 18,038               | \$ 423,298      | \$ 18,163                 | \$ 68,080                              |
| Liabilities, deferred inflows of resources, and fund balances:      |                       |                              |                         |                 |                           |  |
| Liabilities:  |                       |                              |                         |                 |                           |  |
| Accounts payable  | \$ 6,838              | \$ -                         | \$ -                    | \$ -            | \$ -                      | \$ 4,993                               |
| Deferred inflows of resources:                                      |                       |                              |                         |                 |                           |  |
| Unavailable revenue - property taxes                                | -                     | -                            | -                       | -               | -                         | -                                      |
| Fund balances:  |                       |                              |                         |                 |                           |  |
| Restricted  | 110,197               | 106,365                      | 18,038                  | 423,298         | 18,163                    | 63,087                                 |
| Committed   | -                     | -                            | -                       | -               | -                         | -                                      |
| Assigned  | -                     | -                            | -                       | -               | -                         | -                                      |
| Unassigned  | -                     | -                            | -                       | -               | -                         | -                                      |
| Total fund balances   | 110,197               | 106,365                      | 18,038                  | 423,298         | 18,163                    | 63,087                                 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 117,035            | \$ 106,365                   | \$ 18,038               | \$ 423,298      | \$ 18,163                 | \$ 68,080                              |

(Continued)

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CITY OF MISSION, KANSAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
(Continued)  
December 31, 2020

|  | Special Revenue Funds  |                                       |                                       |                            |                    |                              |
|--|------------------------|---------------------------------------|---------------------------------------|----------------------------|--------------------|------------------------------|
|  | Donations<br>and Gifts | Rock Creek<br>Drainage<br>District #1 | Rock Creek<br>Drainage<br>District #2 | Mission<br>Crossing<br>TIF | Silvercrest<br>TIF | Comerstone<br>Commons<br>CID |
| Assets:  |                        |                                       |                                       |                            |                    |                              |
| Cash and investments   | \$ 48,771              | \$ 12,857                             | \$ 21,570                             | \$ 70,167                  | \$ 551             | \$ 11,871                    |
| Receivables:   |                        |                                       |                                       |                            |                    |                              |
| Taxes  | -                      | 25,038                                | 77,424                                | 232,899                    | 2,694              | 11,463                       |
| Due from other funds   | -                      | -                                     | -                                     | -                          | -                  | -                            |
| Other  | -                      | -                                     | -                                     | -                          | -                  | -                            |
| Total assets   | \$ 48,771              | \$ 37,895                             | \$ 98,994                             | \$ 303,066                 | \$ 3,245           | \$ 23,334                    |
| Liabilities, deferred inflows of resources,<br>and fund balances:      |                        |                                       |                                       |                            |                    |                              |
| Liabilities:   |                        |                                       |                                       |                            |                    |                              |
| Accounts payable   | \$ -                   | \$ -                                  | \$ -                                  | \$ 286,432                 | \$ -               | \$ 16,523                    |
| Deferred inflows of resources:   |                        |                                       |                                       |                            |                    |                              |
| Unavailable revenue - property taxes                                   | -                      | 25,038                                | 77,424                                | 201,095                    | 2,694              | -                            |
| Fund balances:   |                        |                                       |                                       |                            |                    |                              |
| Restricted   | 48,771                 | -                                     | -                                     | -                          | -                  | -                            |
| Committed  | -                      | 12,857                                | 21,570                                | -                          | 551                | 6,811                        |
| Assigned   | -                      | -                                     | -                                     | -                          | -                  | -                            |
| Unassigned   | -                      | -                                     | -                                     | (184,461)                  | -                  | -                            |
| Total fund balances  | 48,771                 | 12,857                                | 21,570                                | (184,461)                  | 551                | 6,811                        |
| Total liabilities, deferred inflows of<br>resources, and fund balances | \$ 48,771              | \$ 37,895                             | \$ 98,994                             | \$ 303,066                 | \$ 3,245           | \$ 23,334                    |

(Continued)

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CITY OF MISSION, KANSAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
(Continued)  
December 31, 2020

|   | Special Revenue Funds |                        |                                | Capital Projects                  | Total Nonmajor Governmental Funds |
|---|-----------------------|------------------------|--------------------------------|-----------------------------------|-----------------------------------|
|   | Mission Trails TIF    | Transportation Utility | Mission Farm and Flower Market | Equipment Reserve and Replacement |                                   |
| Assets:   |                       |                        |                                |                                   |                                   |
| Cash and investments  | \$ -                  | \$ 13,795              | \$ 16,687                      | \$ 486,594                        | \$ 1,308,733                      |
| Receivables:  |                       |                        |                                |                                   |                                   |
| Taxes   | 143,019               | -                      | -                              | -                                 | 492,537                           |
| Due from other funds  | -                     | -                      | 774                            | -                                 | 774                               |
| Other   | -                     | -                      | -                              | -                                 | 65,109                            |
| Total assets  | \$ 143,019            | \$ 13,795              | \$ 17,461                      | \$ 486,594                        | \$ 1,927,153                      |
| Liabilities, deferred inflows of resources, and fund balances:      |                       |                        |                                |                                   |                                   |
| Liabilities:  |                       |                        |                                |                                   |                                   |
| Accounts payable  | \$ -                  | \$ -                   | \$ 191                         | \$ -                              | \$ 314,977                        |
| Deferred inflows of resources:                                      |                       |                        |                                |                                   |                                   |
| Unavailable revenue - property taxes                                | 143,019               | -                      | -                              | -                                 | 449,270                           |
| Fund balances:  |                       |                        |                                |                                   |                                   |
| Restricted  | -                     | -                      | -                              | -                                 | 787,919                           |
| Committed   | -                     | 13,795                 | 17,270                         | 287,314                           | 360,168                           |
| Assigned  | -                     | -                      | -                              | 199,280                           | 199,280                           |
| Unassigned  | -                     | -                      | -                              | -                                 | (184,461)                         |
| Total fund balances   | -                     | 13,795                 | 17,270                         | 486,594                           | 1,162,906                         |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 143,019            | \$ 13,795              | \$ 17,461                      | \$ 486,594                        | \$ 1,927,153                      |

CITY OF MISSION, KANSAS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
Year Ended December 31, 2020

|   | Special Revenue Funds |                              |                         |                 |                           |           | Mission Convention and Visitors Bureau |
|---|-----------------------|------------------------------|-------------------------|-----------------|---------------------------|-----------|--|
|   | Special Alcohol       | Special Parks and Recreation | Special Law Enforcement | Special Highway | School District Sales Tax |           |  |
| Revenues:   |                       |                              |                         |                 |                           |           |  |
| Taxes   | \$ -                  | \$ -                         | \$ -                    | \$ -            | \$ -                      | \$ 58,192 |  |
| Intergovernmental   | 73,607                | 73,607                       | -                       | 257,034         | -                         | -         |  |
| Charges for services                                      | -                     | -                            | -                       | -               | -                         | -         |  |
| Fines and fees  | -                     | -                            | 1,221                   | -               | -                         | -         |  |
| Interest  | -                     | 163                          | -                       | 484             | 42                        | 132       |  |
| Miscellaneous   | -                     | -                            | -                       | -               | -                         | 5,038     |  |
| Total revenues  | 73,607                | 73,770                       | 1,221                   | 257,518         | 42                        | 63,362    |  |
| Expenditures:   |                       |                              |                         |                 |                           |           |  |
| Current:  |                       |                              |                         |                 |                           |           |  |
| General government  | 89,612                | -                            | -                       | -               | -                         | 73,078    |  |
| Public works  | -                     | -                            | -                       | 124,163         | -                         | -         |  |
| Culture and recreation                                    | -                     | 2,595                        | -                       | -               | -                         | -         |  |
| Capital outlay  | -                     | -                            | 10,520                  | -               | -                         | -         |  |
| Debt service:   |                       |                              |                         |                 |                           |           |  |
| Principal   | -                     | 65,470                       | -                       | -               | -                         | -         |  |
| Interest  | -                     | 2,078                        | -                       | -               | -                         | -         |  |
| Total expenditures  | 89,612                | 70,143                       | 10,520                  | 124,163         | -                         | 73,078    |  |
| Excess (deficiency) of revenues over (under) expenditures | (16,005)              | 3,627                        | (9,299)                 | 133,355         | 42                        | (9,716)   |  |
| Other financing sources (uses):                           |                       |                              |                         |                 |                           |           |  |
| Transfer out  | -                     | -                            | -                       | -               | -                         | -         |  |
| Sale of capital assets                                    | -                     | -                            | -                       | -               | -                         | -         |  |
| Total other financing sources (uses)                      | -                     | -                            | -                       | -               | -                         | -         |  |
| Net change in fund balances                               | (16,005)              | 3,627                        | (9,299)                 | 133,355         | 42                        | (9,716)   |  |
| Fund balances, beginning                                  | 126,202               | 102,738                      | 27,337                  | 289,943         | 18,121                    | 72,803    |  |
| Fund balances, ending                                     | \$ 110,197            | \$ 106,365                   | \$ 18,038               | \$ 423,298      | \$ 18,163                 | \$ 63,087 |  |

(Continued)

CITY OF MISSION, KANSAS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS

(Continued)

Year Ended December 31, 2020

|   | Special Revenue Funds |                                 |                                 |                      |                 |
|---|-----------------------|---------------------------------|---------------------------------|----------------------|-----------------|
|   | Donations and Gifts   | Rock Creek Drainage District #1 | Rock Creek Drainage District #2 | Mission Crossing TIF | Silvercrest TIF |
| Revenues:   |                       |                                 |                                 |                      |                 |
| Taxes   | \$ -                  | \$ 4,348                        | \$ 83,088                       | \$ 384,208           | \$ 332          |
| Intergovernmental   | -                     | -                               | -                               | -                    | -               |
| Charges for services                                      | -                     | -                               | -                               | -                    | -               |
| Fines and fees  | -                     | -                               | -                               | -                    | -               |
| Interest  | -                     | 25                              | 148                             | -                    | -               |
| Miscellaneous   | 10,000                | -                               | -                               | -                    | -               |
| Total revenues  | 10,000                | 4,373                           | 83,236                          | 384,208              | 332             |
| Expenditures:   |                       |                                 |                                 |                      |                 |
| Current:  |                       |                                 |                                 |                      |                 |
| General government  | -                     | -                               | -                               | 419,110              | -               |
| Public works  | -                     | -                               | -                               | -                    | -               |
| Culture and recreation                                    | -                     | -                               | -                               | -                    | -               |
| Capital outlay  | -                     | -                               | -                               | -                    | -               |
| Debt service:   | -                     | -                               | -                               | -                    | -               |
| Principal   | -                     | -                               | -                               | -                    | -               |
| Interest  | -                     | -                               | -                               | -                    | -               |
| Total expenditures  | -                     | -                               | -                               | 419,110              | -               |
| Excess (deficiency) of revenues over (under) expenditures | 10,000                | 4,373                           | 83,236                          | (34,902)             | 332             |
| Other financing sources (uses):                           |                       |                                 |                                 |                      |                 |
| Transfer out  | -                     | (3,000)                         | (85,000)                        | -                    | -               |
| Sale of capital assets                                    | -                     | -                               | -                               | -                    | -               |
| Total other financing sources (uses)                      | -                     | (3,000)                         | (85,000)                        | -                    | -               |
| Net change in fund balances                               | 10,000                | 1,373                           | (1,764)                         | (34,902)             | 332             |
| Fund balances, beginning                                  | 38,771                | 11,484                          | 23,334                          | (149,559)            | 219             |
| Fund balances, ending                                     | \$ 48,771             | \$ 12,857                       | \$ 21,570                       | \$ (184,461)         | \$ 551          |

(Continued)

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CITY OF MISSION, KANSAS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS

(Continued)

Year Ended December 31, 2020

|   | Special Revenue Funds |                        |                                | Capital Projects                  |                                   |
|---|-----------------------|------------------------|--------------------------------|-----------------------------------|-----------------------------------|
|   | Mission Trails TIF    | Transportation Utility | Mission Farm and Flower Market | Equipment Reserve and Replacement | Total Nonmajor Governmental Funds |
| Revenues:   |                       |                        |                                |                                   |                                   |
| Taxes   | \$ -                  | \$ -                   | \$ -                           | \$ -                              | \$ 596,730                        |
| Intergovernmental   | -                     | -                      | -                              | -                                 | 404,248                           |
| Charges for services                                      | -                     | -                      | 1,500                          | -                                 | 1,500                             |
| Fines and fees  | -                     | 540                    | -                              | -                                 | 1,761                             |
| Interest  | -                     | 36                     | -                              | 984                               | 2,014                             |
| Miscellaneous   | -                     | -                      | 660                            | 1,000                             | 16,698                            |
| Total revenues  | -                     | 576                    | 2,160                          | 1,984                             | 1,022,951                         |
| Expenditures:   |                       |                        |                                |                                   |                                   |
| Current:  |                       |                        |                                |                                   |                                   |
| General government  | -                     | -                      | 1,181                          | -                                 | 651,748                           |
| Public works  | -                     | -                      | -                              | 83,484                            | 207,647                           |
| Culture and recreation                                    | -                     | -                      | -                              | -                                 | 2,595                             |
| Capital outlay  | -                     | -                      | -                              | -                                 | 10,520                            |
| Debt service:   | -                     | -                      | -                              | -                                 | 65,470                            |
| Principal   | -                     | -                      | -                              | -                                 | 2,078                             |
| Interest  | -                     | -                      | -                              | -                                 | -                                 |
| Total expenditures  | -                     | -                      | 1,181                          | 83,484                            | 940,058                           |
| Excess (deficiency) of revenues over (under) expenditures | -                     | 576                    | 979                            | (81,500)                          | 82,893                            |
| Other financing sources (uses):                           |                       |                        |                                |                                   |                                   |
| Transfer out  | -                     | -                      | -                              | -                                 | (88,000)                          |
| Sale of capital assets                                    | -                     | -                      | -                              | 91,635                            | 91,635                            |
| Total other financing sources (uses)                      | -                     | -                      | -                              | 91,635                            | (88,000)                          |
| Net change in fund balances                               | -                     | 576                    | 979                            | 10,135                            | 86,528                            |
| Fund balances, beginning                                  | -                     | 13,219                 | 16,291                         | 476,459                           | 1,076,378                         |
| Fund balances, ending                                     | \$ -                  | \$ 13,795              | \$ 17,270                      | \$ 486,594                        | \$ 1,162,906                      |

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CITY OF MISSION, KANSAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS  
PARKS AND RECREATION SALES TAX FUND  
Year Ended December 31, 2020

|                            | Original<br>and Final<br>Budgeted<br>Amounts | Actual<br>Amounts<br>Budgetary<br>Basis | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|----------------------------|--|---|---|
| Revenues:                  |  |   |   |
| Taxes                      | \$ 875,000                                   | \$ 956,626                              | \$ 81,626   |
| Interest                   | 12,000                                       | 2,003                                   | (9,997)   |
| Total revenues             | 887,000                                      | 958,629                                 | 71,629  |
| Expenditures:              |  |   |   |
| Capital outlay             | 676,600                                      | 247,520                                 | 429,080   |
| Debt service               | 529,100                                      | 529,100                                 | -   |
| Contingency                | 60,000                                       | -                                       | 60,000  |
| Total expenditures         | 1,265,700                                    | 776,620                                 | 489,080   |
| Net change in fund balance | (378,700)                                    | 182,009                                 | 560,709   |
| Fund balance, beginning    | 825,257                                      | 1,115,006                               | 289,749   |
| Fund balance, ending       | \$ 446,557                                   | \$ 1,297,015                            | \$ 850,458  |

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CITY OF MISSION, KANSAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS  
STREET SALES TAX FUND  
Year Ended December 31, 2020

|                            | Original<br>and Final<br>Budgeted<br>Amounts | Actual<br>Amounts<br>Budgetary<br>Basis | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|----------------------------|--|---|---|
| Revenues:                  |  |   |   |
| Taxes                      | \$ 600,000                                   | \$ 637,751                              | \$ 37,751   |
| Interest                   | 15,000                                       | 398                                     | (14,602)  |
| Total revenues             | 615,000                                      | 638,149                                 | 23,149  |
| Expenditures:              |  |   |   |
| Capital outlay             | 375,000                                      | -                                       | 375,000   |
| Debt service               | 471,660                                      | 470,060                                 | 1,600   |
| Total expenditures         | 846,660                                      | 470,060                                 | 376,600   |
| Net change in fund balance | (231,660)                                    | 168,089                                 | 399,749   |
| Fund balance, beginning    | 315,026                                      | 332,664                                 | 17,638  |
| Fund balance, ending       | \$ 83,366                                    | \$ 500,753                              | \$ 417,387  |

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CITY OF MISSION, KANSAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS  
CAPITAL IMPROVEMENT FUND  
Year Ended December 31, 2020

|  | Original<br>Budgeted<br>Amounts | Final<br>Budgeted<br>Amounts | Actual<br>Amounts<br>Budgetary<br>Basis | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|---------------------------------|------------------------------|---|---|
| Revenues:  |                                 |                              |   |   |
| Intergovernmental revenue                                    | \$ 489,530                      | \$ 500,000                   | \$ 670,414                              | \$ 170,414  |
| Interest   | 3,000                           | 1,600                        | 1,521                                   | (79)  |
| Miscellaneous  | 64,360                          | 64,360                       | 64,360                                  | -   |
| Total revenues   | 556,890                         | 565,960                      | 736,295                                 | 170,335   |
| Expenditures:  |                                 |                              |   |   |
| General government   | -                               | 255,000                      | 254,296                                 | 704   |
| Capital outlay   | 1,466,480                       | 1,500,000                    | 1,122,502                               | 377,498   |
| Debt service   | 550,838                         | 551,000                      | 550,838                                 | 162   |
| Total expenditures   | 2,017,318                       | 2,306,000                    | 1,927,636                               | 378,364   |
| Excess (deficiency) of revenues over<br>(under) expenditures | (1,460,428)                     | (1,740,040)                  | (1,191,341)                             | 548,699   |
| Other financing sources:                                     |                                 |                              |   |   |
| Transfers in   | 1,258,575                       | 1,307,525                    | 1,315,682                               | 8,157   |
| Net change in fund balance                                   | (201,853)                       | (432,515)                    | 124,341                                 | 556,856   |
| Fund balance, beginning                                      | 311,525                         | 659,016                      | 383,918                                 | (275,098)   |
| Fund balance, ending   | \$ 109,672                      | \$ 226,501                   | \$ 508,259                              | \$ 281,758  |

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CITY OF MISSION, KANSAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS  
SPECIAL ALCOHOL FUND  
Year Ended December 31, 2020

|                            | Original<br>and Final<br>Budgeted<br>Amounts | Actual<br>Amounts<br>Budgetary<br>Basis | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|----------------------------|--|---|---|
| Revenues:                  |  |   |   |
| Intergovernmental          | \$ 85,000                                    | \$ 73,607                               | \$ (11,393)   |
| Expenditures:              |  |   |   |
| General government         | 96,000                                       | 89,612                                  | 6,388   |
| Net change in fund balance | (11,000)                                     | (16,005)                                | (5,005)   |
| Fund balance, beginning    | 110,696                                      | 126,202                                 | 15,506  |
| Fund balance, ending       | \$ 99,696                                    | \$ 110,197                              | \$ 10,501   |

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CITY OF MISSION, KANSAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS  
SPECIAL PARKS AND RECREATION FUND  
Year Ended December 31, 2020

|                            | Original<br>and Final<br>Budgeted<br>Amounts | Actual<br>Amounts<br>Budgetary<br>Basis | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|----------------------------|--|---|---|
| Revenues:                  |  |   |   |
| Intergovernmental          | \$ 85,000                                    | \$ 73,607                               | \$ (11,393)   |
| Interest                   | 200  | 163                                     | (37)  |
| Total revenues             | 85,200                                       | 73,770                                  | (11,430)  |
| Expenditures:              |  |   |   |
| Culture and recreation     | -  | 2,595                                   | (2,595)   |
| Capital outlay             | 50,000                                       | -                                       | 50,000  |
| Debt service               | 67,655                                       | 67,548                                  | 107   |
| Total expenditures         | 117,655                                      | 70,143                                  | 47,512  |
| Net change in fund balance | (32,455)                                     | 3,627                                   | 36,082  |
| Fund balance, beginning    | 48,346                                       | 102,738                                 | 54,392  |
| Fund balance, ending       | \$ 15,891                                    | \$ 106,365                              | \$ 90,474   |

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CITY OF MISSION, KANSAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS  
SPECIAL HIGHWAY FUND  
Year Ended December 31, 2020

|                            | Original<br>and Final<br>Budgeted<br>Amounts | Actual<br>Amounts<br>Budgetary<br>Basis | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|----------------------------|--|---|---|
| Revenues:                  |  |   |   |
| Intergovernmental          | \$ 256,610                                   | \$ 257,034                              | \$ 424  |
| Interest                   | 100  | 484                                     | 384   |
| Total revenues             | 256,710                                      | 257,518                                 | 808   |
| Expenditures:              |  |   |   |
| Public works               | 250,000                                      | 124,163                                 | 125,837   |
| Net change in fund balance | 6,710  | 133,355                                 | 126,645   |
| Fund balance, beginning    | 55,006                                       | 289,943                                 | 234,937   |
| Fund balance, ending       | \$ 61,716                                    | \$ 423,298                              | \$ 361,582  |

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CITY OF MISSION, KANSAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS  
MISSION CONVENTION AND VISITORS BUREAU FUND  
Year Ended December 31, 2020

|                            | Original<br>and Final<br>Budgeted<br>Amounts | Actual<br>Amounts<br>Budgetary<br>Basis | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|----------------------------|--|---|---|
| Revenues:                  |  |   |   |
| Taxes                      | \$ 60,000                                    | \$ 58,192                               | \$ (1,808)  |
| Interest                   | 500  | 132                                     | (368)   |
| Miscellaneous              | 35,000                                       | 5,038                                   | (29,962)  |
| Total revenues             | 95,500                                       | 63,362                                  | (32,138)  |
| Expenditures:              |  |   |   |
| General government         | 85,500                                       | 73,078                                  | 12,422  |
| Capital outlay             | 10,000                                       | -                                       | 10,000  |
| Total expenditures         | 95,500                                       | 73,078                                  | 22,422  |
| Net change in fund balance | -  | (9,716)                                 | (9,716)   |
| Fund balance, beginning    | 121,343                                      | 72,803                                  | (48,540)  |
| Fund balance, ending       | \$ 121,343                                   | \$ 63,087                               | \$ (58,256)   |

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CITY OF MISSION, KANSAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS  
ROCK CREEK DRAINAGE DISTRICT #1 FUND  
Year Ended December 31, 2020

|  | Original<br>and Final<br>Budgeted<br>Amounts | Actual<br>Amounts<br>Budgetary<br>Basis | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|--|---|---|
| Revenues:  |  |   |   |
| Taxes  | \$ 22,458                                    | \$ 4,348                                | \$ (18,110)   |
| Interest   | -  | 25                                      | 25  |
| Total revenues   | 22,458                                       | 4,373                                   | (18,085)  |
| Expenditures:  |  |   |   |
| Contingency  | 31,000                                       | -                                       | 31,000  |
| Excess (deficiency) of revenues<br>over (under) expenditures | (8,542)                                      | 4,373                                   | 12,915  |
| Other financing uses:  |  |   |   |
| Transfers out  | (3,000)                                      | (3,000)                                 | -   |
| Net change in fund balance                                   | (11,542)                                     | 1,373                                   | 12,915  |
| Fund balance, beginning                                      | 11,542                                       | 11,484                                  | (58)  |
| Fund balance, ending   | \$ -   | \$ 12,857                               | \$ 12,857   |

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CITY OF MISSION, KANSAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS  
ROCK CREEK DRAINAGE DISTRICT #2 FUND  
Year Ended December 31, 2020

|                                      | Original and Final Budgeted Amounts | Actual Amounts Budgetary Basis | Variance with Final Budget - Positive (Negative) |
|--------------------------------------|-------------------------------------|--------------------------------|--|
| Revenues:                            |                                     |                                |  |
| Taxes                                | \$ 82,826                           | \$ 83,088                      | \$ 262   |
| Interest                             | 100                                 | 148                            | 48   |
| Total revenues                       | 82,926                              | 83,236                         | 310  |
| Expenditures:                        |                                     |                                |  |
| Contingency                          | 10,500                              | -                              | 10,500   |
| Excess of revenues over expenditures | 72,426                              | 83,236                         | 10,810   |
| Other financing uses:                |                                     |                                |  |
| Transfers out                        | (90,000)                            | (85,000)                       | 5,000  |
| Net change in fund balance           | (17,574)                            | (1,764)                        | 15,810   |
| Fund balance, beginning              | 17,574                              | 23,334                         | 5,760  |
| Fund balance, ending                 | \$ -                                | \$ 21,570                      | \$ 21,570  |

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CITY OF MISSION, KANSAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS  
MISSION CROSSING TIF FUND  
Year Ended December 31, 2020

|                            | Original and Final Budgeted Amounts | Actual Amounts Budgetary Basis | Variance with Final Budget - Positive (Negative) |
|----------------------------|-------------------------------------|--------------------------------|--|
| Revenues:                  |                                     |                                |  |
| Taxes                      | \$ 179,319                          | \$ 384,208                     | \$ 204,889                                       |
| Expenditures:              |                                     |                                |  |
| General government         | 370,000                             | 419,110                        | (49,110)   |
| Net change in fund balance | (190,681)                           | (34,902)                       | 155,779  |
| Fund balance, beginning    | 8,439                               | (149,559)                      | (157,998)  |
| Fund balance, ending       | \$ (182,242)                        | \$ (184,461)                   | \$ (2,219)                                       |

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CITY OF MISSION, KANSAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS  
CORNERSTONE COMMONS CID FUND  
Year Ended December 31, 2020

|                            | Original and Final Budgeted Amounts | Actual Amounts Budgetary Basis | Variance with Final Budget - Positive (Negative) |
|----------------------------|-------------------------------------|--------------------------------|--|
| Revenues:                  |                                     |                                |  |
| Taxes                      | \$ 70,000                           | \$ 66,562                      | \$ (3,438)                                       |
| Expenditures:              |                                     |                                |  |
| General government         | 70,500                              | 68,767                         | 1,733  |
| Net change in fund balance | (500)                               | (2,205)                        | (1,705)  |
| Fund balance, beginning    | 3,533                               | 9,016                          | 5,483  |
| Fund balance, ending       | <u>\$ 3,033</u>                     | <u>\$ 6,811</u>                | <u>\$ 3,778</u>                                  |

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CITY OF MISSION, KANSAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS  
EQUIPMENT RESERVE AND REPLACEMENT FUND  
Year Ended December 31, 2020

|   | Original and Final Budgeted Amounts | Actual Amounts Budgetary Basis | Variance with Final Budget - Positive (Negative) |
|---|-------------------------------------|--------------------------------|--|
| Revenues:   |                                     |                                |  |
| Interest  | \$ 9,500                            | \$ 984                         | \$ (8,516)                                       |
| Miscellaneous   | -                                   | 1,000                          | 1,000  |
| Total revenues  | 9,500                               | 1,984                          | (7,516)  |
| Expenditures:   |                                     |                                |  |
| Public works  | -                                   | 83,484                         | (83,484)   |
| Capital outlay  | 300,000                             | 199,280                        | 100,720  |
| Total expenditures  | 300,000                             | 282,764                        | 100,720  |
| Deficiency of revenues under expenditures   | (290,500)                           | (280,780)                      | (109,236)  |
| Other financing sources:  |                                     |                                |  |
| Sale of general capital assets  | 40,000                              | 91,635                         | 51,635   |
| Net change in fund balance  | (250,500)                           | (189,145)                      | 61,355   |
| Fund balance, beginning   | 466,091                             | 476,459                        | 10,368   |
| Fund balance, ending  | <u>\$ 215,591</u>                   | <u>287,314</u>                 | <u>\$ 71,723</u>                                 |
| Encumbrances for equipment and professional services ordered but not received are not recorded for GAAP purposes until received |                                     | 199,280                        |  |
| Fund balance on the basis of GAAP   |                                     | <u>\$ 486,594</u>              |  |

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CITY OF MISSION, KANSAS  
CUSTODIAL FUNDS

CITY OF MISSION, KANSAS  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
December 31, 2020

Custodial funds are used to account for assets held by the City as a custodian for individuals, private organizations, and other governments.

1. **License Reinstatement Fees Fund** – established to account for amounts collected through the court for driver's license reinstatement fees due to the State of Kansas.
2. **Alcohol and Drug Safety Fund** – established to account for monies collected and paid for Driving Under the Influence evaluations.
3. **Cafeteria Plan Fund** – established to account for monies collected for employee cafeteria plan contributions.

|   | License<br>Reinstatement<br>Fees | Alcohol<br>and Drug<br>Safety | Cafeteria<br>Plan | Total<br>Custodial<br>Funds |
|---|----------------------------------|-------------------------------|-------------------|-----------------------------|
| Assets:   |                                  |                               |                   |                             |
| Cash and investments  | \$ 1,424                         | \$ 11,791                     | \$ 40,595         | \$ 53,810                   |
| Net position:   |                                  |                               |                   |                             |
| Restricted for individuals, organizations,<br>and other governments | \$ 1,424                         | \$ 11,791                     | \$ 40,595         | \$ 53,810                   |

CITY OF MISSION, KANSAS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
Year Ended December 31, 2020

|   | License<br>Reinstatement<br>Fees | Alcohol<br>and Drug<br>Safety | Cafeteria<br>Plan | Total<br>Custodial<br>Funds |
|---|----------------------------------|-------------------------------|-------------------|-----------------------------|
| <b>Additions:</b>                           |                                  |                               |                   |                             |
| Employee contributions                      | \$ -                             | \$ -                          | \$ 48,810         | \$ 48,810                   |
| Reinstatement fees                          | 18,109                           | -                             | -                 | 18,109                      |
| Judicial surcharge                          | 4,818                            | -                             | -                 | 4,818                       |
| <b>Total additions</b>                      | <b>22,927</b>                    | <b>-</b>                      | <b>48,810</b>     | <b>71,737</b>               |
| <b>Deductions:</b>                          |                                  |                               |                   |                             |
| Claims paid                                 | -                                | -                             | 46,905            | 46,905                      |
| Administration purchases                    | -                                | 8,908                         | -                 | 8,908                       |
| Reinstatement fee remittance                | 18,855                           | -                             | -                 | 18,855                      |
| Judicial surcharge remittance               | 5,016                            | -                             | -                 | 5,016                       |
| <b>Total deductions</b>                     | <b>23,871</b>                    | <b>8,908</b>                  | <b>46,905</b>     | <b>79,684</b>               |
| <b>Net change in fiduciary net position</b> | <b>(944)</b>                     | <b>(8,908)</b>                | <b>1,905</b>      | <b>(7,947)</b>              |
| <b>Net position, beginning</b>              | <b>2,368</b>                     | <b>20,699</b>                 | <b>38,690</b>     | <b>61,757</b>               |
| <b>Net position, ending</b>                 | <b>\$ 1,424</b>                  | <b>\$ 11,791</b>              | <b>\$ 40,595</b>  | <b>\$ 53,810</b>            |

CITY OF MISSION, KANSAS  
Statistical Section

This part of the City of Mission's *Comprehensive Annual Financial Report* presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economical Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report related to the services the City provides and the activities it performs.

*Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Report for the relevant year.*

CITY OF MISSION, KANSAS  
NET POSITION BY COMPONENT  
LAST TEN YEARS  
(actual basis of accounting)

|                                  | 2011           | 2012          | 2013          | 2014          | 2015          | 2016          | 2017          | 2018          | 2019          | 2020          |
|----------------------------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Governmental activities:         |                |               |               |               |               |               |               |               |               |               |
| Net investment in capital assets | \$ 25,521,486  | \$ 26,771,129 | \$ 26,799,661 | \$ 31,231,093 | \$ 34,647,991 | \$ 36,242,192 | \$ 38,114,193 | \$ 41,312,063 | \$ 48,520,221 | \$ 46,714,202 |
| Restricted assets                | 5,580,408      | 6,513,971     | 5,682         | 6,672,242     | 7,816,870     | 1,786,712     | 3,671,129     | 1,848,410     | 1,675,919     | 79,759        |
| Unrestricted                     | 1,442,275      | 3,350,678     | 7,425,937     | 4,029,213     | 5,411,715     | 15,442,510    | 1,287,420     | 10,868,493    | 15,520,974    | 11,097,189    |
| Total net position               | \$ 279,162,249 | \$ 30,171,141 | \$ 32,144,900 | \$ 35,961,516 | \$ 35,926,153 | \$ 38,663,294 | \$ 39,733,377 | \$ 52,767,276 | \$ 56,265,834 | \$ 99,203,221 |

Governmental activities:

Net investment in capital

assets

Restricted

Unrestricted

Total net position

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Source: City of Mission, Kansas Basic Financial Statements.

CITY OF MISSION, KANSAS  
CHANGES IN NET POSITION  
LAST TEN YEARS  
(actual basis of accounting)

|  | 2011         | 2012         | 2013         | 2014         | 2015         | 2016         | 2017         | 2018         | 2019         | 2020         |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Expenses   |              |              |              |              |              |              |              |              |              |              |
| Governmental activities:                           |              |              |              |              |              |              |              |              |              |              |
| General government                                 | \$ 2,584,660 | \$ 2,276,085 | \$ 2,200,521 | \$ 2,480,810 | \$ 2,617,020 | \$ 2,599,590 | \$ 3,499,029 | \$ 4,626,089 | \$ 3,472,222 | \$ 3,455,629 |
| Public safety                                      | 3,791,275    | 3,725,913    | 3,690,037    | 3,774,245    | 3,539,822    | 4,153,499    | 3,733,032    | 3,988,831    | 4,351,828    | 4,484,731    |
| Public works                                       | 3,332,770    | 3,106,786    | 3,648,002    | 3,263,297    | 3,562,714    | 3,006,294    | 3,643,160    | 3,688,008    | 3,901,986    | 3,959,532    |
| Culture and recreation                             | 2,807,439    | 2,635,617    | 2,668,576    | 2,695,856    | 2,647,417    | 2,801,261    | 2,968,448    | 3,322,465    | 3,250,574    | 2,710,990    |
| Interest on long-term debt                         | 978,679      | 1,052,682    | 1,250,980    | 1,483,823    | 939,988      | 867,584      | 569,678      | 413,024      | 673,330      | 622,236      |
| Total primary government expenses                  | 12,671,846   | 13,109,053   | 12,794,122   | 13,698,033   | 13,326,976   | 14,029,998   | 14,412,627   | 16,191,715   | 15,774,495   | 15,629,118   |
| Program revenues                                   |              |              |              |              |              |              |              |              |              |              |
| Governmental activities:                           |              |              |              |              |              |              |              |              |              |              |
| Charges for services:                              |              |              |              |              |              |              |              |              |              |              |
| General government                                 | 781,913      | 686,255      | 689,511      | 663,566      | 608,814      | 701,562      | 656,319      | 663,702      | 679,353      | 680,766      |
| Public safety                                      | 1,640,415    | 1,869,248    | 1,528,186    | 1,462,996    | 1,345,844    | 1,253,047    | 1,622,400    | 1,396,353    | 1,454,390    | 880,172      |
| Public works                                       | 2,432,511    | 2,461,655    | 2,871,020    | 2,826,091    | 2,855,225    | 2,524,476    | 2,271,224    | 2,706,837    | 2,588,724    | 2,519,498    |
| Culture and recreation                             | 1,559,397    | 1,776,306    | 1,776,706    | 1,885,576    | 1,846,807    | 1,913,634    | 1,799,660    | 1,738,575    | 1,789,978    | 657,428      |
| Operating grants and contributions:                |              |              |              |              |              |              |              |              |              |              |
| General government                                 | -            | -            | -            | -            | -            | -            | 17,438       | 13,795       | 52,767       | 15,038       |
| Public safety                                      | 464,486      | 54,474       | 427,424      | 471,321      | 70,916       | 75,844       | -            | 31,666       | 35,666       | 35,666       |
| Public works                                       | 2,300,031    | 402,870      | 1,070,856    | 1,988,215    | 2,019,400    | 393,346      | 901,916      | 416,396      | 871,947      | 1,123,521    |
| Total primary government program revenues          | 8,306,515    | 7,149,203    | 7,914,403    | 8,791,007    | 8,746,800    | 6,675,309    | 7,744,971    | 7,335,767    | 5,465,102    | 62,599,829   |
| Total primary government net (expense)             | (4,901,531)  | (5,959,850)  | (5,584,599)  | (4,907,026)  | (4,580,176)  | (7,354,689)  | (6,667,656)  | (8,855,948)  | (10,309,393) | (9,002,289)  |
| General revenues and other changes in net position |              |              |              |              |              |              |              |              |              |              |
| Governmental activities:                           |              |              |              |              |              |              |              |              |              |              |
| Taxes:   |              |              |              |              |              |              |              |              |              |              |
| Property   | 1,640,246    | 1,382,248    | 1,297,123    | 1,620,716    | 2,422,476    | 2,820,999    | 2,497,105    | 2,780,854    | 3,068,427    | 2,944,409    |
| Sales  | 4,057,445    | 4,040,247    | 4,942,079    | 5,744,564    | 5,771,057    | 5,870,341    | 6,380,270    | 6,756,072    | 6,961,735    | 7,173,901    |
| Transfer grant                                     | 20,642       | 11,498       | 20,268       | 23,893       | 36,785       | 43,335       | 64,160       | 61,384       | 51,270       | 58,192       |
| Motor vehicle                                      | 159,217      | 125,721      | 138,868      | 134,758      | 156,487      | 157,488      | 229,186      | 243,911      | 241,875      | 237,105      |
| Franchise  | 1,014,732    | 986,696      | 1,022,854    | 1,036,005    | 1,009,649    | 1,024,850    | 1,061,940    | 1,153,820    | 1,024,697    | 1,011,085    |
| Investment earnings                                | 2,348        | 4,227        | 3,324        | 1,934        | 2,494        | 4616         | 41,337       | 112,216      | 221,980      | 35,790       |
| Miscellaneous                                      | 159,833      | 399,104      | 308,021      | 378,658      | 553,144      | 314,640      | 354,234      | 344,623      | 444,007      | 39,485       |
| Gain/loss on capital assets                        | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Total primary government                           | 6,863,944    | 6,632,251    | 7,883,327    | 8,741,497    | 9,882,864    | 9,253,309    | 10,292,222   | 11,648,980   | 11,766,701   | 11,940,276   |
| Change in net position governmental activities     | \$ 1,962,413 | \$ 981,026   | \$ 2,298,808 | \$ 3,840,471 | \$ 3,312,684 | \$ 3,100,620 | \$ 4,095,766 | \$ 2,793,032 | \$ 3,456,708 | \$ 2,937,887 |

Source: City of Mission, Kansas Basic Financial Statements.

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CITY OF MISSION, KANSAS  
FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN YEARS  
(modified accrual basis of accounting)

|                                    | 2011         | 2012         | 2013          | 2014         | 2015         | 2016         | 2017         | 2018         | 2019         | 2020         |
|------------------------------------|--------------|--------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| General fund:                      |              |              |               |              |              |              |              |              |              |              |
| Unassigned                         | \$ 1,335,027 | \$ 1,340,574 | \$ 1,551,771  | \$ 2,241,633 | \$ 2,860,180 | \$ 3,214,825 | \$ 4,259,499 | \$ 4,984,889 | \$ 4,027,832 | \$ 4,435,348 |
| Assigned                           | -            | -            | -             | 122,279      | -            | 287,198      | 266,002      | 229,000      | 519,688      | 428,853      |
| Committed                          | -            | -            | -             | -            | -            | 96,630       | 413,522      | 129,440      | 10,510       | 184,894      |
| Total general fund                 | \$ 1,335,027 | \$ 1,340,574 | \$ 1,551,771  | \$ 2,460,712 | \$ 2,860,180 | \$ 3,598,653 | \$ 5,000,023 | \$ 5,343,329 | \$ 5,012,838 | \$ 5,048,897 |
| All other governmental funds       | -            | -            | -             | -            | -            | -            | -            | -            | -            | -            |
| Restricted                         | \$ 2,093,066 | \$ 4,989,510 | \$ 10,353,222 | \$ 1,695,376 | \$ 1,332,431 | \$ 1,982,634 | \$ 3,212,29  | \$ 486,810   | \$ 675,915   | \$ 787,919   |
| Committed                          | 3,721        | 5,610        | 15,566        | 60,615       | 42,829       | 33,434       | 1,644,131    | 4,338,874    | 8,191,734    | 4,505,685    |
| Assigned                           | -            | -            | -             | 63,100       | -            | -            | 220,000      | -            | 295,684      | 199,280      |
| Unassigned                         | -            | (48,129)     | (46,223)      | (45,010)     | (41,720)     | (30,882)     | (271,791)    | (149,768)    | (161,521)    | (207,786)    |
| Total all other governmental funds | \$ 2,096,727 | \$ 4,946,991 | \$ 10,322,565 | \$ 1,749,081 | \$ 1,333,540 | \$ 1,985,186 | \$ 2,164,601 | \$ 4,875,916 | \$ 9,001,832 | \$ 5,285,128 |

Source: City of Mission, Kansas Basic Financial Statements.

Note: In 2013, the City issued Series 2013A, 2013B, and 2013C General Obligation bonds for a total issuance of \$9,670,000.

In 2019, the City issued Series 2019A General Obligation bonds in the amount of \$3,470,000.

In 2020, the City issued Series 2020A General Obligation bonds in the amount of \$3,670,000.

CITY OF MISSION, KANSAS  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN YEARS  
(modified accrual basis of accounting)

|  | 2011         | 2012         | 2013         | 2014          | 2015          | 2016         | 2017          | 2018          | 2019          | 2020          |
|--|--------------|--------------|--------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|
| Revenues:  |              |              |              |               |               |              |               |               |               |               |
| Taxes  | \$ 6,690,601 | \$ 6,571,139 | \$ 7,514,184 | \$ 8,329,207  | \$ 8,446,524  | \$ 9,727,282 | \$ 10,333,151 | \$ 10,996,141 | \$ 11,238,004 | \$ 11,454,882 |
| Investment income                                      | 1,000,000    | 1,000,000    | 1,000,000    | 1,000,000     | 1,000,000     | 1,000,000    | 1,000,000     | 1,000,000     | 1,000,000     | 1,000,000     |
| Interest income  | 2,354,899    | 448,344      | 1,128,680    | 2,035,538     | 2,090,216     | 478,190      | 1,076,630     | 496,905       | 990,580       | 1,200,076     |
| Licenses and permits                                   | 158,156      | 134,743      | 198,191      | 135,133       | 141,750       | 152,245      | 162,439       | 155,469       | 155,997       | 153,331       |
| Change for services                                    | 4,616,005    | 4,597,873    | 5,059,946    | 5,163,400     | 5,169,096     | 4,995,727    | 4,864,764     | 4,973,644     | 4,902,157     | 3,702,441     |
| Fines and fees   | 1,640,015    | 1,860,248    | 1,528,186    | 1,462,916     | 1,345,844     | 1,250,047    | 1,022,400     | 1,406,735     | 1,372,900     | 793,226       |
| Special assessments                                    | 23,48        | 4,237        | 3,214        | 1,934         | 2,464         | 6,611        | 413,37        | 1,498,990     | 599,396       | 593,596       |
| Miscellaneous  | 387,629      | 428,373      | 398,607      | 401,738       | 387,138       | 350,275      | 329,377       | 569,918       | 338,073       | 756,652       |
| Total revenues   | 15,640,343   | 14,145,373   | 15,831,180   | 17,539,466    | 17,776,971    | 17,992,862   | 18,410,098    | 20,211,415    | 19,968,947    | 18,682,548    |
| Expenditures:  |              |              |              |               |               |              |               |               |               |               |
| Administration   | 1,825,029    | 1,721,635    | 1,872,454    | 1,876,551     | 2,047,346     | 1,821,928    | 2,396,458     | 3,586,610     | 3,764,902     | 3,913,555     |
| Public safety  | 3,710,722    | 3,657,781    | 3,504,422    | 3,607,321     | 3,480,670     | 3,868,458    | 3,457,520     | 3,798,457     | 3,983,486     | 3,827,951     |
| Public works   | 2,113,493    | 2,048,877    | 2,065,594    | 1,926,534     | 2,195,869     | 1,841,605    | 2,132,215     | 2,707,478     | 1,901,473     | 2,407,486     |
| Culture and recreation                                 | 2,434,362    | 2,407,179    | 2,418,064    | 2,421,207     | 2,195,368     | 2,446,954    | 2,964,711     | 2,637,958     | 2,703,683     | 2,125,022     |
| Capital outlay   | 5,545,434    | 2,242,446    | 6,761,526    | 8,912,694     | 3,225,688     | 1,735,962    | 1,974,163     | 1,099,691     | 3,053,688     | 6,757,696     |
| Debt service:  |              |              |              |               |               |              |               |               |               |               |
| Interest   | 2,876,408    | 2,450,006    | 2,420,090    | 10,390,201    | 3,979,313     | 3,248,986    | 3,438,471     | 3,556,090     | 3,217,335     | 3,671,012     |
| Principal and other charges                            | 1,047,541    | 1,143,744    | 1,253,371    | 1,370,028     | 1,013,218     | 958,474      | 850,047       | 751,838       | 748,605       | 872,102       |
| Total expenditures                                     | 18,723,888   | 15,666,646   | 20,214,431   | 38,573,338    | 18,210,644    | 14,588,977   | 17,754,005    | 17,384,823    | 16,695,322    | 21,574,729    |
| Excess of revenues over (under) expenditures           | (4,092,545)  | (1,520,000)  | (4,383,251)  | (22,033,872)  | (433,663)     | 3,403,905    | 675,993       | 2,826,592     | 3,273,625     | (4,892,181)   |
| Other financing sources (uses):                        |              |              |              |               |               |              |               |               |               |               |
| Borrowings   | 1,260,000    | 657,000      | 324,447      | 561,460       | 1,339,266     | 1,181,264    | 1,334,497     | 1,428,111     | 1,763,148     | 1,468,452     |
| Transfers in   | (1,250,000)  | (687,000)    | (324,447)    | (551,600)     | (1,339,266)   | (1,181,264)  | (1,334,497)   | (1,428,111)   | (1,763,148)   | (1,468,452)   |
| Issuance of debt - bonds                               | 4,925,000    | 4,360,000    | 9,670,000    | 13,830,000    | 418,111       | -            | -             | -             | 3,470,000     | 6,020,000     |
| Bond premium   | -            | -            | 302,014      | 418,111       | 388,388       | 366,920      | -             | 210,000       | 707,120       | 329,140       |
| Issuance of debt - leases                              | 520,911      | -            | -            | 190,000       | -             | -            | -             | -             | -             | 420,000       |
| Payment to refund bond escrow agent                    | -            | -            | -            | -             | -             | -            | -             | -             | -             | (6,250,000)   |
| Sale of general capital assets                         | -            | -            | -            | -             | -             | -            | -             | -             | -             | 9,163         |
| Total other financing sources (uses)                   | 5,445,911    | 4,360,000    | 9,972,014    | 14,438,111    | 389,888       | 366,920      | 121,440       | 27,460        | 44,907        | 1,468,452     |
| Net change in fund balances                            | \$ 1,353,566 | \$ 2,854,911 | \$ 5,086,771 | \$ 17,595,621 | \$ 13,866,025 | \$ 3,966,433 | \$ 3,966,433  | \$ 3,052,264  | \$ 4,231,927  | \$ 4,280,950  |
| Debt service as a percentage of municipal expenditures | 26.49%       | 25.62%       | 26.44%       | 66.36%        | 31.86%        | 27.88%       | 27.18%        | 26.44%        | 25.76%        | 27.02%        |

Source: City of Mission, Kansas Basic Financial Statements.

**CITY OF MISSION, KANSAS  
GENERAL GOVERNMENT TAX REVENUES BY SOURCE  
LAST TEN YEARS**

| Fiscal Year<br>December 31, | Property<br>Tax | City<br>Sales<br>Tax | City<br>Use<br>Tax | County<br>Sales<br>Tax | County<br>Use<br>Tax | Transient<br>Guest<br>Tax | Development<br>District<br>Tax | Franchise<br>Tax | Total        |
|-----------------------------|-----------------|----------------------|--------------------|------------------------|----------------------|---------------------------|--------------------------------|------------------|--------------|
| 2011                        | \$ 1,597,782    | \$ 2,564,793         | \$ 379,031         | \$ 938,788             | \$ 174,833           | \$ 20,642                 | \$ -                           | \$ 1,014,732     | \$ 6,690,601 |
| 2012                        | 1,550,697       | 2,482,815            | 372,011            | 1,002,287              | 174,692              | 11,498                    | -                              | 977,139          | 6,571,139    |
| 2013                        | 1,528,984       | 3,143,802            | 502,158            | 1,015,709              | 174,756              | 20,268                    | -                              | 1,128,507        | 7,514,184    |
| 2014                        | 1,524,678       | 3,700,732            | 1,003,224          | 876,568                | 163,707              | 23,893                    | -                              | 1,016,905        | 8,329,707    |
| 2015                        | 1,683,032       | 3,739,017            | 914,404            | 886,416                | 171,221              | 36,785                    | -                              | 1,009,649        | 8,440,524    |
| 2016                        | 2,833,757       | 3,731,155            | 821,687            | 982,627                | 199,878              | 43,835                    | 134,993                        | 1,024,850        | 9,772,782    |
| 2017                        | 2,826,381       | 3,939,487            | 946,090            | 1,120,687              | 235,966              | 64,160                    | 138,440                        | 1,061,940        | 10,333,151   |
| 2018                        | 3,024,865       | 4,005,307            | 1,178,272          | 1,178,715              | 250,573              | 61,384                    | 143,205                        | 1,155,820        | 10,998,141   |
| 2019                        | 3,300,302       | 4,191,837            | 1,157,133          | 1,185,120              | 265,393              | 51,270                    | 162,252                        | 1,024,697        | 11,338,004   |
| 2020                        | 3,191,614       | 4,143,192            | 1,392,244          | 1,145,902              | 314,266              | 58,192                    | 171,387                        | 1,011,085        | 11,454,882   |

Source: City of Mission, Kansas Basic Financial Statements.

**CITY OF MISSION, KANSAS  
LOCAL SALES AND CONSUMPTION TAX COLLECTIONS  
LAST TEN YEARS  
December 31, 2020**

| Category                                       | 2011         | 2012         | 2013         | 2014         | 2015         | 2016 <sup>(1)</sup> | 2017         | 2018         | 2019         | 2020         |
|--|--------------|--------------|--------------|--------------|--------------|---------------------|--------------|--------------|--------------|--------------|
| Auto sales, repairs and parts                  | \$ 336,701   | \$ 223,132   | \$ 210,882   | \$ 228,554   | \$ 300,907   | \$ 291,347          | \$ 313,159   | \$ 330,427   | \$ 330,075   | \$ 350,664   |
| Auto sales, repairs and parts - net            | 408,673      | 423,851      | 383,131      | 682,553      | 653,278      | 758,033             | 794,013      | 840,658      | 860,999      | 994,261      |
| Building construction, repairs and maintenance | 53,265       | 58,198       | 60,187       | 92,319       | 143,443      | 123,380             | 195,077      | 193,325      | 195,147      | 213,745      |
| Grocery and drug stores                        | 448,708      | 431,180      | 535,619      | 620,021      | 593,449      | 673,796             | 732,485      | 814,652      | 880,007      | 976,809      |
| Medical  | 19,979       | 22,897       | 33,419       | 27,601       | 18,874       | 21,721              | 32,693       | 38,897       | 32,451       | 39,334       |
| Hotels, restaurants and entertainment          | 481,435      | 412,674      | 469,695      | 648,415      | 638,244      | 791,752             | 822,731      | 878,828      | 909,456      | 840,892      |
| Specialty                                      | 181,328      | 163,861      | 260,677      | 288,063      | 380,281      | 527,942             | 538,996      | 558,102      | 603,934      | 664,562      |
| Services, communications                       | 15,453       | 15,453       | 15,453       | 15,453       | 15,453       | 15,453              | 15,453       | 15,453       | 15,453       | 15,453       |
| All other outlets                              | 284,789      | 377,069      | 548,621      | 520,026      | 602,284      | 952,820             | 877,676      | 887,752      | 957,183      | 1,005,291    |
| Total  | \$ 2,564,793 | \$ 2,424,215 | \$ 3,143,802 | \$ 3,665,810 | \$ 3,755,114 | \$ 4,620,910        | \$ 4,869,688 | \$ 5,168,158 | \$ 5,328,441 | \$ 5,590,158 |

**City Sales Tax Rates:**

|                                |       |       |       |       |       |       |       |       |       |       |
|--------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| General sales tax              | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% |
| State sales tax (for 10 years) | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% |
| Parks sales tax (for 10 years) | 0.00% | 0.00% | 0.38% | 0.38% | 0.38% | 0.38% | 0.38% | 0.38% | 0.38% | 0.38% |
|                                | 1.25% | 1.25% | 1.63% | 1.63% | 1.63% | 1.63% | 1.63% | 1.63% | 1.63% | 1.63% |

Source: Kansas Department of Revenue.  
(1) 2016 sales tax totals were corrected.

CITY OF MISSION, KANSAS  
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE  
OF TAXABLE PROPERTY (1)  
LAST TEN YEARS

| Year Ended<br>December 31,<br>Assessment Year | Real Property<br>Assessed Value | Estimated<br>Actual Value | Personal Property<br>Assessed Value | Estimated<br>Actual Value | Total<br>Assessed Value | Estimated<br>Actual Value | Ratio of<br>Assessed Value<br>to Estimated<br>Actual Value | Total<br>Direct<br>Tax Rate<br>(Per \$ 1,000) |
|---|---------------------------------|---------------------------|-------------------------------------|---------------------------|-------------------------|---------------------------|--|---|
| 2010  | \$ 115,357,123                  | \$ 86,241,074             | \$ 2,594,652                        | \$ 8,648,840              | \$ 117,951,775          | \$ 871,068,590            | 13.54%   | \$ 11.21                                      |
| 2011  | 112,043,638                     | 85,217,490                | 2,107,544                           | 7,025,147                 | 114,151,182             | 861,743,077               | 13.24%   | 11.37   |
| 2012  | 112,043,638                     | 84,855,960                | 1,725,925                           | 5,753,083                 | 113,848,300             | 861,690,043               | 13.24%   | 11.41   |
| 2013  | 112,022,375                     | 87,941,020                | 1,490,100                           | 4,967,080                 | 117,200,455             | 884,386,020               | 13.25%   | 11.41   |
| 2014  | 115,710,355                     | 91,094,710                | 1,270,673                           | 4,235,577                 | 121,589,183             | 915,190,287               | 13.29%   | 11.35   |
| 2015  | 120,318,510                     | 96,136,620                | 1,250,762                           | 4,169,207                 | 131,977,269             | 970,305,827               | 13.60%   | 18.23   |
| 2016  | 130,726,507                     | 102,050,700               | 1,000,871                           | 3,336,237                 | 139,660,568             | 1,029,386,937             | 13.57%   | 18.02   |
| 2017  | 138,659,697                     | 113,051,300               | 944,126                             | 3,147,087                 | 157,485,883             | 1,142,660,187             | 13.78%   | 17.97   |
| 2018  | 156,541,757                     | 1,130,820,720             | 842,751                             | 2,809,170                 | 160,906,225             | 1,203,629,890             | 13.37%   | 17.88   |
| 2019  | 160,063,474                     | 1,297,043,690             | 807,566                             | 2,691,887                 | 172,481,966             | 1,299,735,577             | 13.27%   | 17.16   |
| 2020  | 171,674,400                     |                           |                                     |                           |                         |                           |  |   |

(1) Information obtained from the Johnson County Records and Tax Administration Annual Abstract of Taxes.

CITY OF MISSION, KANSAS  
PROPERTY TAX RATES PER \$ 1,000 OF ASSESSED VALUATION  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN YEARS

| Year Ended<br>December 31, | City<br>General Fund | Storm Drain<br>Fund | General<br>Obligation<br>Fund | Total<br>Direct<br>Rate | Johnson<br>County | Shawnee<br>Mission<br>School<br>District #2 | Johnson<br>County<br>Community<br>College | Consolidated<br>Fire<br>District #2 | Johnson<br>County<br>Library | Johnson<br>County<br>Parks and<br>Recreation | Total      |
|----------------------------|----------------------|---------------------|-------------------------------|-------------------------|-------------------|---|---|-------------------------------------|------------------------------|--|------------|
| 2011                       | \$ 10.183            | \$ -                | \$ 1.030                      | \$ 11.213               | \$ 17.748         | \$ 57.192                                   | \$ 8.799                                  | \$ 10.074                           | \$ 3.158                     | \$ 2.350                                     | \$ 110.534 |
| 2012                       | 10.326               | -                   | 1.045                         | 11.371                  | 17.700            | 56.135                                      | 8.776                                     | 10.098                              | 3.145                        | 2.343  | 109.568    |
| 2013                       | 10.361               | -                   | 1.049                         | 11.410                  | 17.700            | 56.135                                      | 8.776                                     | 10.098                              | 3.145                        | 2.343  | 109.607    |
| 2014                       | 10.363               | -                   | 1.050                         | 11.413                  | 17.745            | 55.611                                      | 9.551                                     | 11.004                              | 3.155                        | 2.347  | 110.826    |
| 2015                       | 10.534               | -                   | -                             | 10.534                  | 17.745            | 55.611                                      | 9.551                                     | 11.004                              | 3.155                        | 2.347  | 110.826    |
| 2016                       | 10.534               | -                   | -                             | 10.534                  | 17.745            | 55.611                                      | 9.551                                     | 11.004                              | 3.155                        | 2.347  | 110.826    |
| 2017                       | 18.019               | -                   | -                             | 18.019                  | 19.590            | 54.940                                      | 9.473                                     | 11.789                              | 3.915                        | 3.102  | 120.828    |
| 2018                       | 17.973               | -                   | -                             | 17.973                  | 19.318            | 53.663                                      | 9.403                                     | 11.760                              | 3.921                        | 3.112  | 119.250    |
| 2019                       | 17.878               | -                   | -                             | 17.878                  | 19.024            | 52.427                                      | 9.266                                     | 11.750                              | 3.901                        | 3.088  | 117.334    |
| 2020                       | 17.157               | -                   | -                             | 17.157                  | 19.036            | 52.121                                      | 9.121                                     | 11.753                              | 3.904                        | 3.090  | 116.182    |

Information provided by the Johnson County, Kansas County Clerk's Tax Roll Press Release.  
(1) Property Tax rates per \$ 1,000 of Assessed Valuation



CITY OF MISSION, KANSAS  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS

| Year Ended<br>December 31, | Total<br>Tax Levy | Current Taxes<br>Collected | Percent of<br>Current Taxes<br>Collected | Delinquent<br>Tax<br>Collections | Total<br>Tax<br>Collections | Ratio of<br>Total Tax<br>Collections<br>to Tax Levy |
|----------------------------|-------------------|----------------------------|--|----------------------------------|-----------------------------|---|
| 2011                       | \$ 1,351,409      | \$ 1,320,407               | 97.70%                                   | \$ 29,563                        | \$ 1,349,970                | 99.9%   |
| 2012                       | 1,341,230         | 1,321,097                  | 98.50%                                   | 9,484                            | 1,330,581                   | 99.2%   |
| 2013                       | 1,302,465         | 1,286,467                  | 98.80%                                   | 13,977                           | 1,300,444                   | 99.8%   |
| 2014                       | 1,299,351         | 1,279,755                  | 98.50%                                   | 14,966                           | 1,294,721                   | 99.6%   |
| 2015                       | 1,330,712         | 1,297,246                  | 97.50%                                   | 31,139                           | 1,300,385                   | 97.7%   |
| 2016                       | 2,215,969         | 2,160,946                  | 97.50%                                   | 21,222                           | 2,182,168                   | 98.5%   |
| 2017                       | 2,276,754         | 2,316,534                  | 97.50%                                   | 21,222                           | 2,337,756                   | 98.4%   |
| 2018                       | 2,510,100         | 2,445,831                  | 97.40%                                   | 21,890                           | 2,467,721                   | 98.3%   |
| 2019                       | 2,815,503         | 2,750,760                  | 97.70%                                   | 13,820                           | 2,764,580                   | 98.2%   |
| 2020                       | 2,760,596         | 2,663,260                  | 96.47%                                   | 17,851                           | 2,681,111                   | 97.1%   |

Source: Johnson County, Kansas Records and Tax Administration and City of Mission Finance Records.

CITY OF MISSION, KANSAS  
PRINCIPAL PROPERTY TAXPAYERS  
December 31, 2020 and Nine Years Ago

| Taxpayer                      | 2020                             |      |                                     | 2011                             |      |                                     |
|-------------------------------|----------------------------------|------|-------------------------------------|----------------------------------|------|-------------------------------------|
|                               | Taxable<br>Assessed<br>Valuation | Rank | % of Total<br>Assessed<br>Valuation | Taxable<br>Assessed<br>Valuation | Rank | % of Total<br>Assessed<br>Valuation |
| Scriptpro                     | \$ 5,532,834                     | 1    | 3.21%                               | \$ 4,672,362                     | 1    | 3.88%                               |
| Tower Properties Company      | 3,480,245                        | 2    | 2.02%                               | 1,999,851                        | 5    | 1.66%                               |
| SNH Medical Properties        | 3,434,191                        | 3    | 1.99%                               |                                  |      |                                     |
| Mission Apartments LLC        | 3,429,415                        | 4    | 1.99%                               |                                  |      |                                     |
| CAPROCO Mission Corporate LLC | 3,316,059                        | 5    | 1.92%                               |                                  |      |                                     |
| Target                        | 3,312,146                        | 6    | 1.92%                               | 1,995,100                        | 10   | 1.32%                               |
| Bridges at Foxridge NF L.L.C. | 3,276,120                        | 7    | 1.90%                               | 1,708,555                        | 8    | 1.42%                               |
| Silverwood Apartments, L.L.C. | 3,206,200                        | 8    | 1.86%                               |                                  |      |                                     |
| Whispering Falls, L.L.C.      | 2,599,230                        | 9    | 1.51%                               |                                  |      |                                     |
| Foxfire Apartments            | 2,205,585                        | 10   | 1.28%                               |                                  |      |                                     |
| CAPROCO KC Mission, L.L.C.    | 2,200,169                        | 11   | 1.28%                               |                                  |      |                                     |
| Block Properties Company      | 2,110,673                        | 12   | 1.22%                               | 1,655,251                        | 9    | 1.37%                               |
| Mission Mart Shopping Center  | 1,959,436                        | 13   | 1.14%                               | 1,724,137                        | 7    | 1.43%                               |
| Bumister Realty Company, Inc  |                                  |      |                                     | 2,507,751                        | 2    | 2.08%                               |
| Southwestern Bell Telephone   |                                  |      |                                     | 2,213,314                        | 3    | 1.84%                               |
| Broadmoor Place Associates    |                                  |      |                                     | 2,005,250                        | 4    | 1.66%                               |
| Sixty Three West Investors    |                                  |      |                                     | 1,838,001                        | 6    | 1.53%                               |
| Total                         | \$ 40,062,303                    |      | 23.24%                              | \$ 21,919,572                    |      | 18.19%                              |

Source: Johnson County Clerk's Office

**CITY OF MISSION, KANSAS**  
**RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED**  
**VALUE AND NET GENERAL OBLIGATION DEBT PER CAPITA**  
**LAST TEN YEARS**

| Year Ended<br>December 31, | Population <sup>(1)</sup> | Assessed<br>Value <sup>(2)</sup> | General<br>Obligation<br>Bonds <sup>(3)</sup> | Less Amounts   |                       | Ratio of<br>Net Bonded<br>Debt to<br>Assessed<br>Value | Per<br>Capita |
|----------------------------|---------------------------|----------------------------------|---|--|-----------------------|--|---------------|
|                            |                           |                                  |   | Available<br>in Debt<br>Service<br>Fund <sup>(1)</sup> | Net<br>Bonded<br>Debt |  |               |
| 2011                       | 9,323                     | \$ 117,951,775                   | \$ 32,758,611                                 | \$ 550,988   | \$ 32,207,623         | 27.31%   | \$ 3,455      |
| 2012                       | 9,323                     | 114,151,182                      | 34,625,964                                    | 63,337   | 34,562,627            | 30.28%   | 3,707         |
| 2013                       | 9,323                     | 113,848,300                      | 42,210,431                                    | 3,529,721  | 38,680,710            | 33.98%   | 4,149         |
| 2014                       | 9,323                     | 117,200,455                      | 37,518,281                                    | 672,282  | 36,845,999            | 31.44%   | 3,952         |
| 2015                       | 9,323                     | 121,589,183                      | 33,430,089                                    | 738,850  | 32,691,239            | 26.89%   | 3,507         |
| 2016                       | 9,323                     | 131,977,269                      | 30,178,416                                    | 676,572  | 29,501,844            | 22.55%   | 3,164         |
| 2017                       | 9,323                     | 139,660,568                      | 26,871,743                                    | 896,721  | 25,975,022            | 18.60%   | 2,786         |
| 2018                       | 9,323                     | 157,485,883                      | 23,470,070                                    | -  | 23,470,070            | 14.90%   | 2,517         |
| 2019                       | 9,323                     | 160,906,225                      | 24,172,301                                    | -  | 24,172,301            | 15.02%   | 2,593         |
| 2020                       | 9,323                     | 172,481,966                      | 20,639,506                                    | -  | 20,639,506            | 11.97%   | 2,214         |

(1) Source: US Census Bureau 2010 Census. 2015 estimate was 9,490, but this table will not be updated until the 2020 Census is complete.

(2) Source: Johnson County Records and Tax Administration Annual Abstract of Taxes.

(3) Source: City of Mission Finance Records.

**CITY OF MISSION, KANSAS**  
**OUTSTANDING DEBT BY TYPE**  
**LAST TEN YEARS**

| Fiscal Year | General Obligation Bonds | Temporary Notes | Special Assessment Bonds | KDHE Capital Asset Payable | Capital Asset Payable | Total         | City Population | Personal Income | Debt Per Capita | Debt as a Percentage of Personal Income |
|-------------|--------------------------|-----------------|--------------------------|----------------------------|-----------------------|---------------|-----------------|-----------------|-----------------|---|
| 2011        | \$ 32,748,611            | \$ 485,000      | \$ 10,000                | \$ 99,864                  | \$ 407,344            | \$ 33,750,819 | 9,323           | \$ 328,701,011  | \$ 3,620        | 10.27%                                  |
| 2012        | 34,625,964               | 485,000         | -                        | 95,887                     | 265,454               | 35,472,305    | 9,323           | 328,701,011     | 3,805           | 10.79%                                  |
| 2013        | 42,210,431               | 485,000         | -                        | 91,792                     | 164,814               | 42,952,037    | 9,323           | 328,701,011     | 4,607           | 13.07%                                  |
| 2014        | 37,518,281               | -               | -                        | 87,589                     | 226,067               | 37,831,937    | 9,323           | 328,701,011     | 4,058           | 11.51%                                  |
| 2015        | 33,430,089               | -               | -                        | 83,276                     | 480,378               | 33,993,743    | 9,323           | 328,701,011     | 3,646           | 10.34%                                  |
| 2016        | 30,178,416               | -               | -                        | 78,851                     | 693,132               | 30,950,399    | 9,323           | 328,701,011     | 3,320           | 9.42%                                   |
| 2017        | 26,871,743               | -               | -                        | 74,539                     | 484,174               | 27,090,286    | 9,323           | 328,701,011     | 3,259           | 9.42%                                   |
| 2018        | 23,470,070               | -               | -                        | 69,478                     | 365,143               | 23,934,890    | 9,323           | 328,701,011     | 2,566           | 7.28%                                   |
| 2019        | 24,172,301               | -               | -                        | 64,896                     | 207,589               | 24,444,786    | 9,323           | 328,701,011     | 2,622           | 7.46%                                   |
| 2020        | 20,639,506               | -               | -                        | 59,990                     | 425,584               | 21,125,080    | 9,323           | 328,701,011     | 2,266           | 6.43%                                   |

Source: Johnson County Treasurers Office and City of Mission Finance Records.

**CITY OF MISSION, KANSAS**  
**DIRECT AND OVERLAPPING DEBT**  
As of December 31, 2020

| Name of Governmental Unit                | Net Debt<br>Obligation | Percentage<br>Applicable<br>to City of<br>Mission | Amount<br>Applicable<br>to City of<br>Mission |
|--|------------------------|---|---|
| <b>Direct debt:</b>                      |                        |   |   |
| City of Mission, Kansas                  | \$ 21,125,080          | 100.00%   | \$ 21,125,080                                 |
| <b>Overlapping debt: <sup>(1)</sup></b>  |                        |   |   |
| Johnson County <sup>(2)</sup>            | 15,855,569             | 1.44%   | 228,807                                       |
| Shawnee Mission School (U.S.D. 512)      | 298,130,000            | 3.94%   | 11,746,332                                    |
| Fire District #2                         | 5,915,000              | 15.51%  | 917,531                                       |
| Johnson County Parks and Recreation      | 35,136,874             | 1.44%   | 507,049                                       |
| <b>Total overlapping debt</b>            | <b>355,037,443</b>     |   | <b>13,399,719</b>                             |
| <b>Total direct and overlapping debt</b> | <b>\$ 376,162,523</b>  |   | <b>\$ 34,524,799</b>                          |

(1) Information provided by individual entities.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the overlapping debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value. This approach was also applied to the other debt of the overlapping governmental units.

(2) Johnson County debt at December 31, 2020 was unavailable. Johnson County, Kansas debt reported is as of December 31, 2019.

**CITY OF MISSION, KANSAS**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
**LAST TEN FISCAL YEARS**

|   | 2011           | 2012           | 2013           | 2014           | 2015           | 2016           | 2017 <sup>(1)</sup> | 2018           | 2019           | 2020           |
|---|----------------|----------------|----------------|----------------|----------------|----------------|---------------------|----------------|----------------|----------------|
| Total assessed valuation of taxable property <sup>(1)</sup>                         | \$ 132,270,218 | \$ 125,513,802 | \$ 125,072,213 | \$ 128,858,941 | \$ 133,572,726 | \$ 144,408,516 | \$ 152,686,690      | \$ 171,027,897 | \$ 174,321,886 | \$ 186,218,506 |
| Debt limit: percent of assessed value   | 30.00%         | 30.00%         | 30.00%         | 30.00%         | 30.00%         | 30.00%         | 30.00%              | 30.00%         | 30.00%         | 30.00%         |
| Debt limit  | 39,681,065     | 37,654,150     | 37,559,164     | 38,651,082     | 40,071,818     | 43,320,155     | 45,794,547          | 51,308,129     | 52,296,542     | 55,863,552     |
| Total net debt applicable to limit  | 6,555,000      | 9,645,000      | 15,955,000     | 11,720,000     | 9,591,660      | 8,372,465      | 7,120,000           | 5,487,000      | 4,642,000      | 3,411,270      |
| Legal debt margin   | \$ 32,346,065  | \$ 27,709,150  | \$ 21,624,164  | \$ 26,931,082  | \$ 30,480,658  | \$ 34,947,700  | \$ 38,674,547       | \$ 44,480,129  | \$ 47,654,542  | \$ 52,454,232  |
| Total net debt applicable to the limit as a percentage of debt limit <sup>(2)</sup> | 16.83%         | 26.20%         | 42.45%         | 30.32%         | 23.93%         | 19.33%         | 15.55%              | 11.39%         | 8.88%          | 6.11%          |

Note 1: Total assessed valuation of taxable property on this table includes motor vehicle assessed valuations. See 2017 Equalized Tangible Valuation Table in the Johnson County Tax Abstract Report.

Note 2: Under Kansas State Finance law, the City's outstanding unencumbered general obligation debt should not exceed 30 percent of the total assessed property value.

Note 3: Total net debt applicable to limit was revised for 2017 to reflect previously excluded bonds that were classified as Revenue Bonds when they are actually GO Bonds.

CITY OF MISSION, KANSAS  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN YEARS

| Fiscal Year | Population <sup>(1)</sup> | Unemployment Rate <sup>(2)</sup> | Per Capita Personal Income | Personal Income |
|-------------|---------------------------|----------------------------------|----------------------------|-----------------|
| 2011        | 9,323                     | 6.0%                             | \$ 35,257                  | \$ 328,701,011  |
| 2012        | 9,323                     | 5.4%                             | 35,257                     | 328,701,011     |
| 2013        | 9,323                     | 3.8%                             | 35,257                     | 328,701,011     |
| 2014        | 9,323                     | 3.3%                             | 35,257                     | 328,701,011     |
| 2015        | 9,323                     | 3.3%                             | 35,257                     | 328,701,011     |
| 2016        | 9,323                     | 2.9%                             | 35,257                     | 328,701,011     |
| 2017        | 9,323                     | 2.5%                             | 35,257                     | 328,701,011     |
| 2018        | 9,323                     | 2.6%                             | 35,257                     | 328,701,011     |
| 2019        | 9,323                     | 2.8%                             | 35,257                     | 328,701,011     |
| 2020        | 9,323                     | 5.3%                             | 35,257                     | 328,701,011     |

(1) Source: US Census Bureau 2010 Census. 2015 estimate was 9,490, but this table will not be updated until the 2020 Census is complete.

(2) Source: Kansas Department of Labor statistics for Johnson County, Kansas.

CITY OF MISSION, KANSAS  
PRINCIPAL EMPLOYERS  
December 31, 2020 and Nine Years Ago

|       | December 31, 2020           |           |      | December 31, 2011              |               |        |
|-------|-----------------------------|-----------|------|--------------------------------|---------------|--------|
|       | Employer                    | Employees | Rank | Percentage of Total Employment | Employees (1) | Rank   |
|       | VinSolutions                | 466       | 1    | 5.00%                          |               |        |
|       | ScriptPro                   | 428       | 2    | 4.59%                          | 500           | 1      |
|       | HyVee Food Stores           | 364       | 3    | 3.90%                          | 275           | 4      |
|       | AT&T Telecommunications     | 229       | 4    | 2.46%                          | 400           | 2      |
|       | Data Migration Services (3) | 200       | 5    | 2.15%                          |               |        |
|       | Entercom                    | 170       | 6    | 1.82%                          | 250           | 6      |
|       | City of Mission (1)         | 146       | 8    | 1.57%                          | 221           | 7      |
|       | U.S. Post Office (3)        | 112       | 9    | 1.20%                          | 250           | 5      |
|       | Target                      | 92        | 7    | 0.99%                          | 150           | 10     |
|       | Skillpath, Inc.             | 91        | 10   | 0.98%                          | 250           | 3      |
|       | Xcellence Inc (3)           | 91        | 11   | 0.98%                          |               |        |
|       | Packaging Products Corp     | 90        | 12   | 0.97%                          | 120           | 11     |
|       | Pryor Learning Solutions    | 80        | 13   | 0.86%                          |               |        |
|       | Legacy Technologies         | 78        | 14   | 0.84%                          |               |        |
|       | Ace Personnel               |           |      |                                | 200           | 8      |
|       | Geneva Roth Ventures        |           |      |                                | 175           | 9      |
|       | Cumulus Broadcasting (2)    |           |      |                                | 100           | 12     |
| Total |                             | 2,637     |      | 28.28%                         | 2,891         |        |
|       |                             |           |      |                                |               | 28.88% |

(1) Includes part-time employees

(2) Left Mission 3/20

(3) CERI did not update employment data for 2020 due to Covid-19 so these companies were contacted directly. If we were unable to obtain 2020 data 2019 figures were retained.

Source: County Economic Research Institute (CERI)

CITY OF MISSION, KANSAS  
FULL TIME CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN YEARS

| Function/Program       | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|------------------------|------|------|------|------|------|------|------|------|------|------|
| General government:    |      |      |      |      |      |      |      |      |      |      |
| Administration/finance | 7.0  | 7.0  | 7.0  | 7.0  | 7.0  | 7.0  | 6.0  | 5.0  | 5.0  | 5.0  |
| Community development  | 5.0  | 4.0  | 4.0  | 4.0  | 4.0  | 5.0  | 5.0  | 5.0  | 5.0  | 5.0  |
| Municipal court        | 3.0  | 3.0  | 3.0  | 3.0  | 3.0  | 3.0  | 3.0  | 4.0  | 4.0  | 4.0  |
| Public works           | 13.0 | 13.0 | 12.0 | 11.0 | 11.0 | 11.0 | 11.0 | 11.0 | 11.0 | 11.0 |
| Police                 | 33.0 | 33.0 | 31.0 | 31.0 | 31.0 | 31.0 | 31.0 | 31.0 | 31.0 | 31.0 |
| Parks and recreation   | 13.0 | 13.0 | 13.0 | 13.0 | 12.0 | 13.0 | 13.0 | 13.0 | 12.0 | 12.0 |
| Total                  | 74.0 | 73.0 | 70.0 | 69.0 | 68.0 | 70.0 | 69.0 | 69.0 | 68.0 | 68.0 |

Source: City of Mission, Kansas Budget.

CITY OF MISSION, KANSAS  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS

| Function/Program                      | 2011    | 2012    | 2013    | 2014    | 2015    | 2016    | 2017    | 2018    | 2019    | 2020 <sup>(1)</sup> |
|---------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------------------|
| Public safety/municipal justice       |         |         |         |         |         |         |         |         |         |                     |
| 911 calls received                    | 9,150   | 10,004  | 9,640   | 9,619   | 10,295  | 9,492   | 9,751   | 7,868   | 8,898   | 6,686               |
| DUI arrests                           | 328     | 254     | 252     | 241     | 222     | 188     | 196     | 80      | 149     | 85                  |
| Traffic/parking citations             | 14,471  | 15,560  | 10,724  | 10,185  | 9,569   | 9,093   | 11,267  | 7,658   | 9,809   | 4,926               |
| Accidents                             | 294     | 272     | 257     | 254     | 287     | 353     | 345     | 347     | 310     | 203                 |
| Arrests                               | 4,244   | 4,244   | 4,244   | 4,244   | 4,244   | 4,244   | 4,244   | 4,244   | 4,244   | 4,244               |
| Total court cases processed           | 14,760  | 16,624  | 10,808  | 10,237  | 9,517   | 8,356   | 9,108   | 7,087   | 7,524   | 4,515               |
| Public works:                         |         |         |         |         |         |         |         |         |         |                     |
| Curb miles swept (line miles)         | 1,416   | 880     | 1,327   | 1,490   | 890     | 785     | 1,455   | 1,210   | 975     | 1,300               |
| Street miles and overhead (line feet) | 13,510  | 8,417   | 6,082   | 4,529   | 3,566   | 3,244   | 6,255   | 100     | 3,566   | 10,509              |
| Curb and gutter replaced (line feet)  | 11,266  | 4,415   | 5,444   | 2,585   | 2,585   | 2,585   | 2,585   | 2,585   | 2,585   | 2,585               |
| Acres of lawn mowed                   | 1,240   | 1,240   | 1,461   | 1,575   | 1,599   | 1,599   | 1,599   | 1,599   | 1,385   | 1,385               |
| Urban management and planning:        |         |         |         |         |         |         |         |         |         |                     |
| Building permits processed            | 281     | 449     | 331     | 357     | 442     | 465     | 415     | 381     | 421     | 320                 |
| Plan reviews performed                | 17      | 14      | 10      | 14      | 26      | 21      | 26      | 13      | 61      | 102                 |
| Leisure and recreation:               |         |         |         |         |         |         |         |         |         |                     |
| Annual membership sold                | 2,115   | 2,031   | 2,413   | 2,835   | 2,140   | 1,969   | 1,628   | 1,835   | 1,843   | 1,137               |
| Annual membership revenue             | 932,868 | 872,378 | 854,446 | 834,076 | 825,610 | 802,554 | 669,823 | 621,649 | 643,707 | 289,320             |
| Facility recreation processed         | 200,024 | 221,249 | 187,577 | 184,996 | 222,183 | 280,231 | 271,447 | 243,536 | 278,203 | 69,111              |
| Pool membership sold                  | 323     | 262     | 349     | 998     | 281     | 345     | 313     | 469     | 423     | -                   |
| Pool revenue                          | 55,922  | 57,339  | 50,684  | 104,750 | 104,544 | 123,679 | 121,198 | 135,974 | 142,460 | -                   |

Source: Various City departments.

(1) All operations of the City were impacted due to the COVID-19 Pandemic.

CITY OF MISSION, KANSAS  
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST TEN YEARS  
December 31, 2020

| Function/Program      | 2020  | 2019  | 2018  | 2017  | 2016  | 2015  | 2014  | 2013  | 2012  | 2011  |
|-----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Police:               |       |       |       |       |       |       |       |       |       |       |
| Stations              | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   |
| Public works:         |       |       |       |       |       |       |       |       |       |       |
| Miles of streets      | 44.7  | 44.7  | 44.7  | 44.7  | 44.7  | 44.7  | 44.7  | 44.7  | 44.7  | 44.7  |
| Streetslights         | 960.0 | 960.0 | 960.0 | 960.0 | 845.0 | 845.0 | 845.0 | 805.0 | 805.0 | 805.0 |
| Parks and recreation: |       |       |       |       |       |       |       |       |       |       |
| Parks and recreation: | 8.0   | 8.0   | 8.0   | 8.0   | 7.0   | 7.0   | 7.0   | 7.0   | 7.0   | 7.0   |
| Park acreage          | 30.4  | 30.4  | 30.4  | 30.4  | 30.0  | 30.0  | 30.0  | 30.0  | 30.0  | 30.0  |
| Pools                 | 2.0   | 2.0   | 2.0   | 2.0   | 2.0   | 2.0   | 2.0   | 2.0   | 2.0   | 2.0   |
| Tennis courts         | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   |
| Community center      | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   |

Source: City of Mission, Kansas.

**FORM OF LEGAL OPINION**

(See following pages)

**APPENDIX B**  
**FORM OF BOND COUNSEL OPINION**

**GILMORE & BELL, P.C.**  
**Attorneys at Law**  
  
**2405 Grand Boulevard**  
**Suite 1100**  
**Kansas City, Missouri 64108-2521**

November 10, 2021

Governing Body  
City of Mission, Kansas

\_\_\_\_\_  
\_\_\_\_\_, \_\_\_\_\_

Re:     \$[Principal Amount] General Obligation Bonds, Series 2021A, of the City of  
Mission, Kansas, Dated November 10, 2021

We have acted as Bond Counsel in connection with the issuance by the City of Mission, Kansas (the “Issuer”), of the above-captioned bonds (the “Bonds”). In this capacity, we have examined the law and the certified proceedings, certifications and other documents that we deem necessary to render this opinion. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the resolution adopted by the governing body of the Issuer prescribing the details of the Bonds.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify them by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

**1.**     The Bonds have been duly authorized, executed and delivered by the Issuer and are valid and legally binding general obligations of the Issuer.

**2.**     The Bonds are payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent that necessary funds are not provided from other sources.



3. The interest on the Bonds [(including any original issue discount properly allocable to an owner of a Bond)] is: (a) excludable from gross income for federal income tax purposes; and (b) not an item of tax preference for purposes of the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the Issuer complies with all requirements of the Internal Revenue Code of 1986, as amended (the “Code”) that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The Bonds are “qualified tax-exempt obligations” within the meaning of Code § 265(b). We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

4. The interest on the Bonds is exempt from income taxation by the State of Kansas.

We express no opinion regarding the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement). Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth in this opinion.

The rights of the owners of the Bonds and the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights generally and by equitable principles, whether considered at law or in equity.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

**GILMORE & BELL, P.C.**

### BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]
2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).
3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.
4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]
6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.
7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).
8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.
9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.
10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.
11. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.
12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

**FORM OF CONTINUING DISCLOSURE UNDERTAKING**

(See following pages)

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**CONTINUING DISCLOSURE UNDERTAKING**

**Dated as of November 10, 2021**

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**By**

**CITY OF MISSION, KANSAS**

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**\$(Principal Amount)  
City of Mission, Kansas  
General Obligation Bonds  
Series 2021A**

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## CONTINUING DISCLOSURE UNDERTAKING

This **CONTINUING DISCLOSURE UNDERTAKING** dated as of November 10, 2021 (this “**Continuing Disclosure Undertaking**”), is executed and delivered by the **CITY OF MISSION, KANSAS** (the “**Issuer**”).

### RECITALS

1. This Continuing Disclosure Undertaking is executed and delivered by the Issuer in connection with the issuance by the Issuer of **[\$[Principal Amount] General Obligation Bonds, Series 2021A** (the “**Bonds**”), pursuant to a Resolution adopted by the governing body of the Issuer (the “**Resolution**”).

2. The Issuer is entering into this Continuing Disclosure Undertaking for the benefit of the Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the “**Rule**”). The Issuer is the only “**obligated person**” with responsibility for continuing disclosure hereunder.

The Issuer covenants and agrees as follows:

**Section 1. Definitions.** In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Continuing Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“**Annual Report**” means any Annual Report provided by the Issuer pursuant to, and as described in, **Section 2** of this Continuing Disclosure Undertaking.

“**Beneficial Owner**” means any registered owner of any Bonds and any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“**Business Day**” means a day other than (a) a Saturday, Sunday or legal holiday, (b) a day on which banks located in any city in which the principal office or designated payment office of the paying agent or the Dissemination Agent is located are required or authorized by law to remain closed, or (c) a day on which the Securities Depository or the New York Stock Exchange is closed.

“**Dissemination Agent**” means any entity designated in writing by the Issuer to serve as dissemination agent pursuant to this Continuing Disclosure Undertaking and which has filed with the Issuer a written acceptance of such designation.

“**EMMA**” means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at [www.emma.msrb.org](http://www.emma.msrb.org).

“**Financial Obligation**” means (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) in this definition; *provided however*, the term Financial Obligation shall not

include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

**“Fiscal Year”** means the **12-month** period beginning on **January 1** and ending on **December 31** or any other **12-month** period selected by the Issuer as the Fiscal Year of the Issuer for financial reporting purposes.

**“Material Events”** means any of the events listed in **Section 3** of this Continuing Disclosure Undertaking.

**“MSRB”** means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with the Rule.

**“Participating Underwriter”** means any of the original underwriter(s) of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

## **Section 2. Provision of Annual Reports.**

- (a) The Issuer shall, not later than 270 days after the end of the Issuer’s Fiscal Year, commencing with the year ending December 31, 2021, file with the MSRB, through EMMA, the following financial information and operating data (the **“Annual Report”**):
  - (1) The audited financial statements of the Issuer for the prior Fiscal Year, prepared in accordance with accounting principles generally accepted in the United States and the *Kansas Municipal Audit and Accounting Guide*. If audited financial statements are not available by the time the Annual Report is required to be provided pursuant to this Section, the Annual Report shall contain unaudited financial statements in a format similar to the summary unaudited financial information contained in the final Official Statement relating to the Bonds, and the audited financial statements shall be provided in the same manner as the Annual Report promptly after they become available.
  - (2) Updates as of the end of the Fiscal Year of certain financial information and operating data contained in the final Official Statement related to the Bonds, as described in **Exhibit A**, in substantially the same format contained in the final Official Statement with such adjustments to formatting or presentation determined to be reasonable by the Issuer.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Issuer is an **“obligated person”** (as defined by the Rule), which have been provided to the MSRB and are available through EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB on EMMA. The Issuer shall clearly identify each such other document so included by reference.

In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in this Section; provided that the audited financial statements of the Issuer may be

submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer's Fiscal Year changes, it shall give notice of such change in the same manner as for a Material Event under **Section 3**.

- (b) The Annual Report shall be filed with the MSRB in such manner and format as is prescribed by the MSRB.

**Section 3. Reporting of Material Events.** Not later than **10 Business Days** after the occurrence of any of the following events, the Issuer shall give, or cause to be given to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Bonds ("**Material Events**"):

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) modifications to rights of bondholders, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the obligated person;
- (13) the consummation of a merger, consolidation, or acquisition involving the obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of the trustee, if material;
- (15) incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

If the Issuer has not submitted the Annual Report to the MSRB by the date required in **Section 2(a)**, the Issuer shall send a notice to the MSRB of the failure of the Issuer to file on a timely basis the Annual Report, which notice shall be given by the Issuer in accordance with this **Section 3**.

**Section 4. Termination of Reporting Obligation.** The Issuer's obligations under this Continuing Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the Issuer's obligations under this Continuing Disclosure Undertaking are assumed in full by some other entity, such person shall be responsible for compliance with this Continuing



Disclosure Undertaking in the same manner as if it were the Issuer, and the Issuer shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination or substitution in the same manner as for a Material Event under **Section 3**.

**Section 5. Dissemination Agents.** The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign as dissemination agent hereunder at any time upon **30** days prior written notice to the Issuer. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Report) prepared by the Issuer pursuant to this Continuing Disclosure Undertaking.

**Section 6. Amendment; Waiver.** Notwithstanding any other provision of this Continuing Disclosure Undertaking, the Issuer may amend this Continuing Disclosure Undertaking and any provision of this Continuing Disclosure Undertaking may be waived, provided that Bond Counsel or other counsel experienced in federal securities law matters provides the Issuer with its written opinion that the undertaking of the Issuer contained herein, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to this Continuing Disclosure Undertaking.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Undertaking, the Issuer shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (1) notice of such change shall be given in the same manner as for a Material Event under **Section 3**, and (2) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

**Section 7. Additional Information.** Nothing in this Continuing Disclosure Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that required by this Continuing Disclosure Undertaking. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event, in addition to that specifically required by this Continuing Disclosure Undertaking, the Issuer shall have no obligation under this Continuing Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

**Section 8. Default.** If the Issuer fails to comply with any provision of this Continuing Disclosure Undertaking, any Participating Underwriter or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Continuing Disclosure Undertaking. A default under this Continuing Disclosure Undertaking shall not be deemed an event of default under the Resolution or the Bonds, and the sole remedy under this Continuing Disclosure Undertaking in the event

of any failure of the Issuer to comply with this Continuing Disclosure Undertaking shall be an action to compel performance.

**Section 9. Beneficiaries.** This Continuing Disclosure Undertaking shall inure solely to the benefit of the Issuer, the Participating Underwriter, and the Beneficial Owners from time to time of the Bonds and shall create no rights in any other person or entity.

**Section 10. Severability.** If any provision in this Continuing Disclosure Undertaking, the Resolution or the Bonds shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

**Section 11. Electronic Transactions.** The arrangement described herein may be conducted and related documents may be sent, received, or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

**Section 12. Governing Law.** This Continuing Disclosure Undertaking shall be governed by and construed in accordance with the laws of the State of Kansas.

[Remainder of Page Intentionally Left Blank.]

**IN WITNESS WHEREOF**, the Issuer has caused this Continuing Disclosure Undertaking to be executed as of the day and year first above written.

**CITY OF MISSION, KANSAS**

By: \_\_\_\_\_  
Ronald E. Appletoft, Mayor

[Seal]

By: \_\_\_\_\_  
Audrey McClanahan, City Clerk

**EXHIBIT A**  
**TO CONTINUING DISCLOSURE UNDERTAKING**

**FINANCIAL INFORMATION AND OPERATING DATA TO BE  
INCLUDED IN ANNUAL REPORT**

The financial information and operating data contained in the following sections and tables contained in **Appendix A** of the final Official Statement relating to the Bonds:

- Valuations – Current Property Valuations
- Debt – Direct Debt
- Debt – Schedules of Bonded Indebtedness
- Debt – Debt Limit
- Tax Levies and Collections – Tax Collections
- Tax Levies and Collections – Tax Mill Levies

**NOTICE OF BOND SALE**

# NOTICE OF BOND SALE

**\$3,400,000\***  
**CITY OF MISSION, KANSAS**  
**GENERAL OBLIGATION BONDS**  
**SERIES 2021A**

(GENERAL OBLIGATION BONDS PAYABLE  
FROM UNLIMITED AD VALOREM TAXES)

**Bids.** Bids for the purchase of the above-referenced bonds (the “Bonds”) of the City of Mission, Kansas (the “Issuer”) herein described will be received until 10:00 a.m., Central Time (the “Submittal Hour”), on

**OCTOBER 20, 2021**

(the “Sale Date”). Bids may only be submitted via **PARITY®** or via email to the Municipal Advisor at bkimmel@ehlers-inc.com. Facsimile bids and hand-delivered written bids **will not** be accepted.

All bids will be publicly evaluated at said time and place and the award of the Bonds to the successful bidder (the “Successful Bidder”) will be acted upon by the City Council of the Issuer (the “Governing Body”) at its meeting to be held at 7:00 p.m. on the Sale Date. No oral or auction bids will be considered. Capitalized terms not otherwise defined herein shall have the meanings set forth in the hereinafter referenced Preliminary Official Statement relating to the Bonds.

**Terms of the Bonds.** The Bonds will consist of fully registered bonds in the denomination of \$5,000 or any integral multiple thereof (the “Authorized Denomination”). The Bonds will be dated November 10, 2021 (the “Dated Date”), and will become due in principal installments on September 1 in the years as follows:

| <u>Year</u> | <u>Principal<br/>Amount*</u> | <u>Year</u> | <u>Principal<br/>Amount*</u> |
|-------------|------------------------------|-------------|------------------------------|
| 2022        | \$220,000                    | 2030        | \$225,000                    |
| 2023        | 215,000                      | 2031        | 230,000                      |
| 2024        | 215,000                      | 2032        | 230,000                      |
| 2025        | 215,000                      | 2033        | 235,000                      |
| 2026        | 215,000                      | 2034        | 240,000                      |
| 2027        | 220,000                      | 2035        | 245,000                      |
| 2028        | 220,000                      | 2036        | 250,000                      |
| 2029        | 225,000                      |             |                              |

The Bonds will bear interest from the Dated Date at rates to be determined when the Bonds are sold as hereinafter provided, which interest will be payable semiannually on March 1 and September 1 in each year, beginning on March 1, 2022 (the “Interest Payment Dates”).

**Adjustment of Issue Size.** The Issuer reserves the right to increase or decrease the total principal amount of the Bonds or the schedule of principal payments described above, depending on the purchase price and interest rates bid and the offering prices specified by the Successful Bidder. The Successful Bidder may not withdraw its bid or change the interest rates bid as a result of any changes made to the principal amount of the Bonds or the schedule of principal payments as described herein. If there is an increase or decrease in the final aggregate principal amount of the Bonds or the schedule of principal payments as described above, the Issuer will notify the Successful Bidder by means of telephone or email, subsequently confirmed in writing, no later than 2:00 p.m. applicable Central Time, on the Sale Date. The actual purchase price for the Bonds shall be calculated by applying the percentage of par value bid by the Successful Bidder against the final aggregate principal amount of the Bonds, as adjusted, plus accrued interest from the Dated Date to the Closing Date (as hereinafter defined).

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\*Preliminary; subject to change as provided herein.

**Place of Payment.** The principal of and interest on the Bonds will be payable in lawful money of the United States of America by check or draft of the Treasurer of the State of Kansas, Topeka, Kansas (the “Paying Agent” and “Bond Registrar”). The principal of each Bond will be payable at maturity or earlier redemption to the owner thereof whose name is on the registration books (the “Bond Register”) of the Bond Registrar (the “Registered Owner”) upon presentation and surrender at the principal office of the Paying Agent. Interest on each Bond will be payable to the Registered Owner of such Bond as of the fifteenth day (whether or not a business day) of the calendar month next preceding each Interest Payment Date (the “Record Date”) (a) mailed by the Paying Agent to the address of such Registered Owner as shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Registered Owner; or (b) in the case of an interest payment to Cede & Co. or any Owner of \$500,000 or more in aggregate principal amount of Bonds, by wire transfer to such Registered Owner upon written notice given to the Paying Agent by such Registered Owner, not less than 15 days prior to the Record Date for such interest, containing the wire transfer address to which such Registered Owner wishes to have such wire directed.

**Bond Registration.** The Bonds will be registered pursuant to a plan of registration approved by the Issuer and the Attorney General of the State of Kansas (the “State”). The Issuer will pay for the fees of the Bond Registrar for registration and transfer of the Bonds and will also pay for printing a reasonable supply of registered bond blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Bond Registrar, will be the responsibility of the Owners.

**Book-Entry-Only System.** The Depository Trust Company, New York, New York (“DTC”), will act as securities depository for the Bonds. The Bonds will initially be issued exclusively in “book entry” form and shall be initially registered in the name of Cede & Co., as the nominee of DTC and no beneficial owner will receive certificates representing their interests in the Bonds. During the term of the Bonds, so long as the book-entry-only system is continued, the Issuer will make payments of principal of, premium, if any, and interest on the Bonds to DTC or its nominee as the Registered Owner of the Bonds, DTC will make book-entry-only transfers among its participants and receive and transmit payment of principal of, premium, if any, and interest on the Bonds to its participants who shall be responsible for transmitting payments to beneficial owners of the Bonds in accordance with agreements between such participants and the beneficial owners. The Issuer will not be responsible for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. In the event that: (a) DTC determines not to continue to act as securities depository for the Bonds, or (b) the Issuer determines that continuation of the book-entry-only form of evidence and transfer of ownership of the Bonds would adversely affect the interests of the beneficial owners of the Bonds, the Issuer will discontinue the book-entry-only form of registration with DTC. If the Issuer fails to identify another qualified securities depository to replace DTC, the Issuer will cause to be authenticated and delivered to the beneficial owners replacement Bonds in the form of fully registered certificates. Reference is made to the Official Statement for further information regarding the book-entry-only system of registration of the Bonds and DTC.

### **Redemption of Bonds Prior to Maturity.**

**General.** Whenever the Issuer is to select Bonds for the purpose of redemption, it will, in the case of Bonds in denominations greater than the minimum Authorized Denomination, if less than all of the Bonds then outstanding are to be called for redemption, treat each minimum Authorized Denomination of face value of each such fully registered Bond as though it were a separate Bond in the minimum Authorized Denomination.

**Optional Redemption.** At the option of the Issuer, Bonds maturing on September 1 in the years 2030, and thereafter, will be subject to redemption and payment prior to maturity on September 1, 2029, and thereafter, as a whole or in part (selection of maturities and the amount of Bonds of each maturity to be redeemed to be determined by the Issuer in such equitable manner as it may determine) at any time, at the redemption price of 100% (expressed as a percentage of the principal amount), plus accrued interest to the date of redemption.

**Mandatory Redemption.** A bidder may elect to have all or a portion of the Bonds scheduled to mature in consecutive years issued as term bonds (the “Term Bonds”) scheduled to mature in the latest of said consecutive years and subject to mandatory redemption requirements consistent with the schedule of serial maturities set forth above, subject to the following conditions: (a) not less than all Bonds of the same serial maturity shall be converted to Term Bonds with mandatory redemption requirements; and (b) a bidder shall make such an election by completing the applicable paragraph on the Official Bid Form or completing the applicable information on PARITY®.

**Notice and Effect of Call for Redemption.** Unless waived by any owner of Bonds to be redeemed, if the Issuer shall call any Bonds for redemption and payment prior to the maturity thereof, the Issuer shall give written notice of its intention to call and pay said Bonds to the Bond Registrar and any provider of municipal bond insurance. In addition, the Issuer shall cause the Bond Registrar to give written notice of redemption to the registered owners of said Bonds. Each of said written notices shall be deposited in United States first class mail not less than 30 days prior to the Redemption Date. All notices of redemption shall state the Redemption Date, the redemption price, the Bonds to be redeemed, the place of surrender of Bonds so called for redemption and a statement of the effect of the redemption. The Issuer shall also give such additional notice as may be required by State law or regulation of the Securities and Exchange Commission in effect as of the date of such notice. If any Bond be called for redemption and payment as aforesaid, all interest on such Bond shall cease from and after the Redemption Date, provided funds are available for its payment at the price hereinbefore specified.

**Authority, Purpose and Security.** The Bonds are being issued pursuant to K.S.A. 12-1736 *et seq.*, Charter Ordinance No. 32 of the Issuer, and Article 12, Section 5 of the Constitution of the State, all as amended, and an ordinance and a resolution adopted by the Governing Body (collectively, the “Bond Resolution”) for the purpose of paying a portion of the cost of certain public improvements (the “Improvements”). The Bonds shall be general obligations of the Issuer payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The full faith, credit and resources of the Issuer are irrevocably pledged for the prompt payment of the principal and interest on the Bonds as the same become due.

**Submission of Bids.** Electronic bids via PARITY® must be submitted in accordance with its Rules of Participation, as well as the provisions of this Notice of Bond Sale. If provisions of this Notice of Bond Sale conflict with those of PARITY®, this Notice of Bond Sale shall control. Email bids may be submitted to bkimmel@ehlers-inc.com. Bids must be received prior to the Submittal Hour on the Sale Date accompanied by the Deposit (as hereinafter defined), which may be submitted separately. The Issuer and Municipal Advisor shall not be responsible for failure, misdirection, or error in the means of transmission by any bidder.

**PARITY®.** Information about the electronic bidding services of PARITY® may be obtained from i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, Phone No. (212) 849-5023.

**Conditions of Bids.** Proposals will be received on the Bonds bearing such rate or rates of interest as may be specified by the bidders, subject to the following conditions: (a) the same rate shall apply to all Bonds of the same maturity year; (b) no interest rate may exceed a rate equal to the daily yield for the 10-year Treasury Bond published by **THE BOND BUYER**, in New York, New York, on the Monday next preceding the day on which the Bonds are sold, plus 3%; (c) no supplemental interest payments will be considered; and (d) each interest rate specified shall be a multiple of 1/20 or 1/8 of 1%. No bid for less than 98.80% will be considered. The rate of any maturity may not be more than 1.00% less than the rate for any preceding maturity. (For example, if a rate of 3.50% is proposed for the 2022 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%). Each bid shall specify the total interest cost (expressed in dollars) during the term of the Bonds on the basis of such bid, the discount, if any, the premium, if any, offered by the bidder, the net interest cost (expressed in dollars) on the basis of such bid, and an estimate of the TIC (as hereinafter defined) on the basis of such bid. Each bidder shall certify to the Issuer the correctness of the information contained on the Official Bid Form; the Issuer will be entitled to rely on such certification. Each bidder agrees that, if it is awarded the Bonds, it will provide the certification described under the caption “Establishment of Issue Price” in this Notice.

**Good Faith Deposit.** A good faith deposit (the “Deposit”) in the amount of \$68,000.00 payable to the order of the Issuer is required in order to secure the Issuer from any loss resulting from the failure of the bidder to comply with the terms of its bid. The Deposit may be submitted at the addresses hereinafter set forth in either of the following forms:

(a) **Certified or Cashier’s Check.** Certified or cashier’s check drawn on a bank located in the United States of America received by the Issuer or the Municipal Advisor **prior to the Submittal Hour**; or

(b) **Wire Transfer.** Wire transfer submitted by the Successful Bidder in Federal Reserve funds, immediately available for use by the Issuer **not later than 2:00 p.m. applicable Central Time on the Sale Date** (wire transfer information may be obtained from the Issuer or the Municipal Advisor at the addresses set forth below).



Contemporaneously with the submission of a wire transfer Deposit, such bidder shall send an email to the Municipal Advisor at the email address set forth below, including the following information: (a) notification that a wire transfer has been made; (b) the amount of the wire transfer; and (c) return wire transfer instructions in the event such bid is unsuccessful. Checks submitted for Deposits by unsuccessful bidders will be returned; wire transfer Deposits submitted by unsuccessful bidders will not be accepted or shall be returned in the same manner received on the next business day following the Sale Date. The Issuer reserves the right to withhold reasonable charges for any fees or expenses incurred in returning a wire transfer Deposit. No interest on the Deposit will be paid by the Issuer. If a bid is accepted, the Deposit, or the proceeds thereof, will be held by the Issuer until the Successful Bidder has complied with all of the terms and conditions of this Notice at which time the amount of said Deposit shall be returned to the Successful Bidder or deducted from the purchase price at the option of the Issuer. If a bid is accepted but the Issuer fails to deliver the Bonds to the Successful Bidder in accordance with the terms and conditions of this Notice, said Deposit, or the proceeds thereof, will be returned to the Successful Bidder. If a bid is accepted but the bidder defaults in the performance of any of the terms and conditions of this Notice, the proceeds of such Deposit will be retained by the Issuer as and for liquidated damages.

**Basis of Award.** Subject to the timely receipt of the Deposit set forth above, the award of the Bonds will be made on the basis of the lowest true interest cost ("TIC"), which will be determined as follows: the TIC is the discount rate (expressed as a per annum percentage rate) which, when used in computing the present value of all payments of principal and interest to be paid on the Bonds, from the payment dates to the Dated Date, produces an amount equal to the price bid, including any adjustments for premium or discount, if any. Present value will be computed on the basis of semiannual compounding and a 360-day year of twelve 30-day months. Bidders are requested to provide a calculation of the TIC for the Bonds on the Official Bid Form, computed as specified herein on the basis of their respective bids, which shall be considered as informative only and not binding on either the Issuer or the bidder. The Issuer or its Municipal Advisor will verify the TIC based on such bids. If there is any discrepancy between the TIC specified and the bid price and interest rates specified, the specified bid price and interest rates shall govern and the TIC specified in the bid shall be adjusted accordingly. If two or more proper bids providing for identical amounts for the lowest TIC are received, the Governing Body will determine which bid, if any, will be accepted, and its determination is final.

The Issuer reserves the right to reject any and/or all bids and to waive any irregularities in a submitted bid. Any bid received after the Submittal Hour on the Sale Date will be returned to the bidder. Any disputes arising hereunder shall be governed by the laws of the State, and any party submitting a bid agrees to be subject to jurisdiction and venue of the federal and state courts within the State with regard to such dispute.

The Issuer's acceptance, including electronic acceptance through PARITY®, of the Successful Bidder's proposal for the purchase of the Bonds in accordance with this Notice of Bond Sale shall constitute a bond purchase agreement between the Issuer and the Successful Bidder for purposes of the laws of the State and a contract between the Issuer and the Successful Bidder for the purposes of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") and Rule G-32 of the Municipal Securities Rulemaking Board ("Rule G-32"). The method of acceptance shall be determined solely by the Governing Body.

**Bond Ratings.** The outstanding general obligation bonds of the Issuer are rated "AA+" by S&P Global Ratings, a division of S&P Global Inc ("S&P"). The Issuer has applied to S&P for a rating on the Bonds herein offered for sale.

**Optional Bond Insurance.** The Issuer has **not** applied for any policy of municipal bond insurance with respect to the Bonds. If the Bonds qualify for municipal bond insurance, and any bidder desires to purchase such policy, such indication and the name of the desired insurer must be set forth on the bidder's Official Bid Form. The Issuer specifically reserves the right to reject any bid specifying municipal bond insurance, even though such bid may result in the lowest TIC to the Issuer.

If the Successful Bidder elects to purchase the Bonds with municipal bond insurance, certain rating agencies will assign their ratings to the Bonds with the understanding that upon delivery of the Bonds, a policy insuring the payment when due of the principal of and interest on the Bonds will be issued by such bond insurer. All costs associated with the purchase and issuance of such municipal bond insurance policy and associated ratings and expenses (other than any independent rating requested by the Issuer) shall be paid by the Successful Bidder. Failure of the municipal bond insurer to issue the policy after the award of the Bonds shall not constitute cause for failure or refusal by the Successful Bidder to accept delivery of the Bonds.

**CUSIP Numbers.** CUSIP identification numbers will be assigned and printed on the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with the terms of this Notice. The Municipal Advisor will apply for CUSIP numbers pursuant to Rule G-34 implemented by the Municipal Securities Rulemaking Board. All expenses in relation to the assignment and printing of CUSIP numbers on the Bonds will be paid by the Successful Bidder.

**Delivery and Payment.** The Issuer will pay for preparation of the Bonds and will deliver the Bonds properly prepared, executed and registered without cost on or about **NOVEMBER 10, 2021** (the “Closing Date”), to DTC for the account of the Successful Bidder. The Successful Bidder will be furnished with a certified transcript of the proceedings evidencing the authorization and issuance of the Bonds and the usual closing documents, including a certificate that there is no litigation pending or threatened at the time of delivery of the Bonds affecting their validity and a certificate regarding the completeness and accuracy of the Official Statement. Payment for the Bonds shall be made in federal reserve funds, immediately available for use by the Issuer. The Issuer will deliver one Bond of each maturity registered in the nominee name of DTC.

**Establishment of Issue Price.** In order to provide the Issuer with information necessary for compliance with Section 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder (collectively, the “Code”), the Successful Bidder will be required to assist the Issuer in establishing the “issue price” of the Bonds and complete, execute and deliver to the Issuer prior to the Closing Date, a written certification in a form acceptable to the Successful Bidder, the Issuer and Bond Counsel (the “Issue Price Certificate”) containing the following for each maturity of the Bonds: (1) the interest rate; (2) the reasonably expected initial offering price to the “public” (as said term is used in Treasury Regulation Section 1.148-1(f) (the “Regulation”)) or the sale price; and (3) pricing wires or equivalent communications supporting such offering or sale price. However, such Issue Price Certificate may indicate that the Successful Bidder has purchased the Bonds for its own account in a capacity other than as an underwriter or wholesaler, and currently has no intent to reoffer the Bonds for sale to the public. Any action to be taken or documentation to be received by the Issuer pursuant hereto may be taken or received by the Municipal Advisor or Bond Counsel on behalf of the Issuer.

The Issuer intends that the sale of the Bonds pursuant to this Notice shall constitute a “competitive sale” as defined in the Regulation. In support thereof: (1) the Issuer shall cause this Notice to be disseminated to potential bidders in a manner reasonably designed to reach potential bidders; (2) all bidders shall have an equal opportunity to submit a bid; (3) the Issuer reasonably expects that it will receive bids from at least three bidders that have established industry reputations for underwriting municipal bonds such as the Bonds; and (4) the Issuer anticipates awarding the sale of the Bonds to the bidder that provides a bid with the lowest TIC in accordance with the section hereof entitled “Basis of Award.”

Any bid submitted pursuant to this Notice shall be considered a firm offer for the purchase of the Bonds as specified therein. The Successful Bidder shall constitute an “underwriter” as said term is defined in the Regulation. By submitting its bid, the Successful Bidder confirms that it shall require any agreement among underwriters, a selling group agreement or other agreement to which it is a party relating to the initial sale of the Bonds, to include provisions requiring compliance with provisions of the Code and the Regulation regarding the initial sale of the Bonds.

If all of the requirements of a “competitive sale” are not satisfied, the Issuer shall advise the Successful Bidder of such fact at the time of award of the sale of the Bonds to the Successful Bidder and the following provisions shall apply to the Bonds. ***In such event, any bid submitted will not be subject to cancellation or withdrawal.*** Within twenty-four (24) hours of the notice of award of the sale of the Bonds, the Successful Bidder shall advise the Issuer if a “substantial amount” (as defined in the Regulation (10%)) of any maturity of the Bonds has been sold to the public and the price at which such substantial amount was sold. The Issuer will treat such sale price as the “issue price” for such maturity, applied on a maturity-by-maturity basis. The Issuer will ***not*** require the Successful Bidder to comply with that portion of the Regulation commonly described as the “hold-the-offering-price” requirement for the remaining maturities, but the Successful Bidder may elect such option. If the Successful Bidder exercises such option, the Issuer will apply the initial offering price to the public provided in the bid as the issue price for such maturities. If the Successful Bidder does not exercise that option, it shall thereafter promptly provide the Issuer the prices at which a substantial amount of such maturities are sold to the public. ***Any change in the issue price of any of the Bonds after the Submittal Hour will not affect the purchase price for the Bonds submitted in the bid of the Successful Bidder.***

This agreement by the Successful Bidder to provide such information will continue to apply after the Closing Time if: (a) the Issuer requests the information in connection with an audit or inquiry by the Internal Revenue Service (the “IRS”) or the Securities and Exchange Commission (the “SEC”) or (b) the information is required to be retained by the Issuer pursuant to future regulation or similar guidance from the IRS, the SEC or other federal or state regulatory authority.

**Preliminary Official Statement and Official Statement.** The Issuer has prepared a Preliminary Official Statement dated October 7, 2021, “deemed final” by the Issuer except for the omission of certain information as provided in the Rule, copies of which may be obtained from the Clerk or from the Municipal Advisor. Upon the sale of the Bonds, the Issuer will adopt the final Official Statement and will furnish the Successful Bidder, without cost, within seven business days of the acceptance of the Successful Bidder’s proposal, with a sufficient number of copies thereof, which may be in electronic format, in order for the Successful Bidder to comply with the requirements of the Rule and Rule G-32. Additional copies may be ordered by the Successful Bidder at its expense.

**Continuing Disclosure.** In the Bond Resolution, the Issuer has covenanted to provide annually certain financial information and operating data and other information necessary to comply with the Rule, and to transmit the same to the Municipal Securities Rulemaking Board. This covenant is for the benefit of and is enforceable by any Registered Owner of the Bonds. For further information, reference is made to the caption “CONTINUING DISCLOSURE” in the Preliminary Official Statement.

**Assessed Valuation and Indebtedness.** The total assessed valuation of the taxable tangible property within the Issuer for the year 2020 was \$186,218,505. The total general obligation indebtedness of the Issuer as of the Dated Date, including the Bonds being sold, is \$19,385,000.

**Legal Opinion.** The Bonds will be sold subject to the approving legal opinion of Gilmore & Bell, P.C., Kansas City, Missouri, Bond Counsel to the Issuer, which opinion will be furnished and paid for by the Issuer, will be printed on the Bonds, if the Bonds are printed, and will be delivered to the Successful Bidder when the Bonds are delivered. Said opinion will also include the opinion of Bond Counsel relating to the interest on the Bonds being excludable from gross income for federal income tax purposes and exempt from income taxation by the State. Reference is made to the Preliminary Official Statement for further discussion of federal and State income tax matters relating to the interest on the Bonds.

**Electronic Transactions.** The transactions described herein may be conducted and related documents may be sent, received and stored by electronic means or transmissions. All bid documents, closing documents, certificates, ordinances, resolutions and related instruments may be executed by electronic means or transmissions. Copies, telecopies, electronic files and other reproductions of original executed documents (or documents executed by electronic means or transmissions) shall be deemed to be authentic and valid counterparts of such documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

**Additional Information.** Additional information regarding the Bonds may be obtained from the undersigned, or from the Municipal Advisor, at the addresses set forth below:

**DATED: October 4, 2021.**

**CITY OF MISSION, KANSAS**

By Laura Smith, City Administrator  
6090 Woodson Road  
Mission, Kansas 66202  
Phone No.: (913) 676-8350  
Fax No.: (913) 722-1415  
Email: [lsmith@missionks.org](mailto:lsmith@missionks.org)

***Municipal Advisor:***

Ehlers Inc.  
3060 Centre Pointe Dr.  
Roseville, Minnesota 55113  
Attn: Bruce Kimmel  
Phone No.: (651) 697-8572  
Email: [bkimmel@ehlers-inc.com](mailto:bkimmel@ehlers-inc.com)

**OFFICIAL BID FORM**  
**PROPOSAL FOR THE PURCHASE OF CITY OF MISSION, KANSAS**  
**GENERAL OBLIGATION BONDS, SERIES 2021A**

TO: Laura Smith, City Administrator  
City of Mission, Kansas

October 20, 2021

For \$3,400,000\* principal amount of General Obligation Bonds, Series 2021A, of the City of Mission, Kansas, to be dated November 10, 2021, as described in the Notice of Bond Sale dated October 4, 2021 (the "Notice"), said Bonds to bear interest as follows:

| <u>Stated<br/>Maturity<br/>September 1</u> | <u>Principal<br/>Amount*</u> | <u>Annual<br/>Rate of<br/>Interest</u> | <u>Stated<br/>Maturity<br/>September 1</u> | <u>Principal<br/>Amount*</u> | <u>Annual<br/>Rate of<br/>Interest</u> |
|--|------------------------------|--|--|------------------------------|--|
| 2022                                       | \$220,000                    | _____ %                                | 2030                                       | \$225,000                    | _____ %                                |
| 2023                                       | 215,000                      | _____ %                                | 2031                                       | 230,000                      | _____ %                                |
| 2024                                       | 215,000                      | _____ %                                | 2032                                       | 230,000                      | _____ %                                |
| 2025                                       | 215,000                      | _____ %                                | 2033                                       | 235,000                      | _____ %                                |
| 2026                                       | 215,000                      | _____ %                                | 2034                                       | 240,000                      | _____ %                                |
| 2027                                       | 220,000                      | _____ %                                | 2035                                       | 245,000                      | _____ %                                |
| 2028                                       | 220,000                      | _____ %                                | 2036                                       | 250,000                      | _____ %                                |
| 2029                                       | 225,000                      | _____ %                                |  |                              |  |

\*subject to change; see the Notice.

the undersigned will pay the purchase price for the Bonds set forth below, plus accrued interest to the date of delivery.

Principal Amount ..... \$3,400,000.00\*  
Less Discount (not to exceed \$40,800 or 1.20%)..... - \_\_\_\_\_  
Plus Premium (if any) ..... \_\_\_\_\_  
Total Purchase Price ..... \$ \_\_\_\_\_

Total interest cost to maturity at the rates specified ..... \$ \_\_\_\_\_  
Net interest cost (adjusted for Discount and/or Premium) ..... \$ \_\_\_\_\_  
True Interest Cost ..... \_\_\_\_\_ %

- ☐ The Bidder elects to purchase Municipal Bond Insurance from: [Assured] [AGM] [BAM] [\_\_\_\_\_]. Circle one or complete blank.  
☐ The Bidder elects to have the following Term Bonds:

| <b>Maturity Date</b> | <b>Years</b>   | <b>Amount*</b> |
|----------------------|----------------|----------------|
| September 1, _____   | _____ to _____ | \$ _____       |
| September 1, _____   | _____ to _____ | \$ _____       |

\*subject to mandatory redemption requirements in the amounts and at the times shown above.

This proposal is subject to all terms and conditions contained in the Notice, and if the undersigned is the Successful Bidder, the undersigned will comply with all of the provisions contained in the Notice. A cashier's or certified check or a wire transfer in the amount of \$68,000.00 payable to the order of the Issuer, submitted in the manner set forth in the Notice, accompanies this proposal as an evidence of good faith. The acceptance of this proposal by the Issuer by execution below shall constitute a contract between the Issuer and the Successful Bidder for purposes of complying with Rule 15c2-12 of the Securities and Exchange Commission and a bond purchase agreement for purposes of the laws of the State of Kansas.

Submitted by: \_\_\_\_\_

(LIST ACCOUNT MEMBERS ON REVERSE)

By: \_\_\_\_\_  
Telephone No. (\_\_\_\_) \_\_\_\_\_

**ACCEPTANCE**

Pursuant to action duly taken by the Governing Body of the City of Mission, Kansas, the above proposal is hereby accepted on October 20, 2021.

Attest:

\_\_\_\_\_  
Clerk

\_\_\_\_\_  
Mayor

**NOTE:** No additions or alterations in the above proposal form shall be made, and any erasures may cause rejection of any bid. Email bids may be submitted with the Municipal Advisor at bkimmel@ehlers-inc.com or electronic bids may be submitted via **PARITY**®, at or prior to 10:00 a.m., Central Time, on October 20, 2021. Any bid received after such time will not be accepted or shall be returned to the bidder.